

FBIS

DAILY REPORT

CONTENTS

China

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PRC INTERNATIONAL AFFAIRS**GENERAL**

Three Consular Agreements Submitted to NPC	A	1
PRC Likely To Sign UN Human Rights Conventions [AFP]	A	1
PRC Hosts Third World Meeting on Cooperation	A	3

UNITED STATES

PRC Reacts to U.S. Political 'Crisis' Situation	B	1
Roundup of Repercussions	B	1
XINHUA Views 'Confidence Crisis'	B	2
Analysis of Resignations	B	4
RENMIN RIBAO on 'Crisis'	B	5
[OVERSEAS EDITION 27 Nov]		
XINHUA Notes U.S. B-52 Bomber Deployment	B	7

SOVIET UNION

Qian Qichen Meets Soviet Disarmament Officials	C	1
USSR Spokesman Cited on U.S. Violation of SALT II	C	1

NORTHEAST ASIA

XINHUA Cites DPRK Condemnation of U.S.-ROK Games	D	1
XINHUA Notes DPRK Protest Over 'Lance' Missiles	D	1

SOUTHEAST ASIA & PACIFIC

Thai Foreign Minister Ends PRC Visit 25 Nov	E	1
Comments on Trip	E	1
Singapore Trade Delegation Visits PRC	E	2

WESTERN EUROPE

FRG Asked To Locate Diplomat Who 'Disappeared'	G	1
[AFP]		
Gu Mu Meets German Federal Youth Delegation	G	1
Fang Yi, Song Jian Meet British Scientists	G	1

PRC NATIONAL AFFAIRS

Youth Paper 'Pardoned' for Deng Retirement Items	K	1
[HONGKONG STANDARD 27 Nov]		
Zhao Ziyang Suggests Ministry of Supervision	K	2
Tian Jiyun Speech at Rural Work Conference	K	3

United Front Work Conference Opens 27 Nov	K 14
Front Work Hailed	K 14
Detailed Regulations for ID Card Issued	K 15

PRC REGIONAL AFFAIRS

EAST REGION

Anhui's Li Quixian Inspects Fruit Production	O 1
Fujian Radio Stresses Rural Commodity Economy	O 1
Liang Buting at Shangdong Gold Smeltery Opening	O 2
Shanghai Residents Queue To Buy Bank Bonds	O 2

NORTH REGION

Beijing People's Congress Meeting 13, 14 Nov	R 1
Gu Mu at Beijing Economic Cooperation Meeting	R 2
Beijing Region PLA Leaders Give Party Lectures	R 2
More Foreign Students Study in Beijing	R 3
Shanxi Leader at Science, Technology Congress	R 4

NORTHEAST REGION

Economic Reform Helps Heilongjiang Dairy Industry	S 1
Sun Weiben Meets With Heilongjiang Artists	S 1
Heilongjiang's Sun Weiben Named Honorary Director	S 1
Jilin Secretary Speaks on Renewing Concepts	S 2
Jilin Article on Role of Cadres in Their 50's	S 3
LIAONING RIBAO on Agricultural Problems [11 Nov]	S 4
Liaoning's Quan Shuren at Philosophy Conference	S 5

NORTHWEST REGION

Gansu's Li Ziqi at Science, Technology Congress	T 1
---	-----

TAIWAN

Rights Group Chief Asks for Aid to PRC Diplomat	V 1
KMT Official Criticizes Opposition Critics	V 1

HONG KONG & MACAO

HONG KONG

Press Release on Hong Kong ID Certificates	W 1
POST Editorial on U.S. Foreign Policy, 'Malaise'	W 1
[SOUTH CHINA MORNING POST 28 Nov]	

THREE CONSULAR AGREEMENTS SUBMITTED TO NPC

OW271108 Beijing XINHUA in English 1052 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- The State Council today submitted three consular treaties, namely those between China and Italy, between China and Mongolia and between China and the Soviet Union, to the Sixth National People's Congress Standing Committee for deliberation. Entrusted by the State Council, Vice-Foreign Minister Qian Qichen today made explanations respectively on these treaties to the 18th Session of the NPC Standing Committee.

On the Sino-Italian consular treaty, which was signed last June, Qian said fairly rapid progress has been made in bilateral political, economic, cultural and science relations and exchange of visits since the establishment of diplomatic relations between the two countries. China and Italy also set up consulates general in Milan and Shanghai and have their nationals residing in each other's countries, he added.

With regard to the Sino-Mongolian consular treaty, Qian noted that in view of steady increase of exchanges in trade and culture in the wake of improvement of bilateral relations in recent years, the Chinese Government agreed to the Mongolian proposal for the signing of the treaty and the two countries concluded the treaty in August this year.

Qian acknowledged that a new consular treaty between China and the Soviet Union was signed last September, since the original one signed in 1959 had simple contents and no longer catered to the present needs. He also disclosed that the two countries will set up consulates general respectively in Leningrad and Shanghai.

PRC LIKELY TO SIGN UN HUMAN RIGHTS CONVENTIONS

HK241002 Hong Kong AFP in English 0941 GMT 24 Nov 86

[By Patrick Lescot]

[Text] Beijing, Nov 24 (AFP) -- China is set to sign three United Nations conventions dealing with the protection of human rights, informed Chinese sources said here.

But a high-ranking Justice Ministry official without denying the report stressed that the government had not made any official announcement about the conventions.

One usually well-informed source identified two of the treaties as the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights.

The source added that China was likely to sign both next month at the U.N. meeting marking the 20th anniversary of their promulgation.

Another well-informed Chinese source said China would sign "in the near future" the convention against torture and other cruel, inhuman and degrading treatment or punishment, first put before the U.N. General Assembly in 1984.

China had not previously signed such agreements because it maintained that such questions constituted part of China's internal affairs, the sources said.

Though foreign criticism of China's human rights record has not been significant enough to hinder Beijing's strengthening ties with the West, some criticism seems to have rung home, analysts said.

Chinese spokesmen, responding to allegations by the London-based human rights monitoring organisation Amnesty International and other groups, have repeatedly asserted that Chinese citizens enjoy greater freedom now than at any time in the past.

Informed sources said Chinese international affairs experts speaking at a recent meeting to discuss plans to sign the treaties put forward the argument that socialist China should not allow the capitalist West to monopolise the term "human rights."

Zhang Qiong, a departmental vice-director of the Supreme Court Inspectorate -- equivalent of a public prosecutors department -- in an interview with AGENCE FRANCE-PRESSE discussed historical aspects of the problem and measures taken to end it.

The Chinese press reported recently that 140 people were killed or injured during the first six months of this year while in police custody. They, like 949 other people -- double the figure for the same period in 1985 -- had been "illegally detained."

Mr Zhang said the most common form of "inhumane corporal punishment" practised in China was to make the victim stand or squat for hours on end.

But he attributed the "very small number" of deaths among the 140 as the result of suicide "at the end of intolerable treatment," adding that the figure was "understandable" in view of the country's size.

China has published few official details on torture cases, but Amnesty International in its last annual report quoted political prisoner Xu Wenli as telling in a note smuggled overseas of the "sounds of beatings and cursing, and the sound of electrical shocks being carried out within the prison buildings."

Mr Zhang said that when the communists came to power in 1949 torture, inhumane treatment and corporal punishment were forbidden by law.

Before that date police could use torture to extract confessions from prisoners, Mr Zhang noted. Until 1911, the death sentence was carried out by an executioner who chopped the condemned person into thin strips to prolong the agony.

Today, said Mr Zhang, these "unhealthy practices" were only carried out by police and lowly officials -- members of the Chinese Communist Party for the most part -- in "isolated" regions.

Interior Minister Ruan Chongwu broke official silence on the subject last December saying: "A minority of officers are arrogant in their work, corrupt, and resort to torture during interrogations."

Mr Zhang said Chinese prosecutors and "departments concerned" would investigate cases of forced confessions, thanks to the "denunciation of the masses," and officially announce the results of their enquiries.

Police who practice torture would receive "education courses" and authors of "very severe cases" would be "punished," he said. Police would be required to "carry out the law in a civilised fashion," Mr Zhang added.

According to press reports the government has been making moves to strengthen the notion of an independent judiciary not subject to fluctuation in times of political crisis such as the Cultural Revolution.

PRC HOSTS THIRD WORLD MEETING ON COOPERATION

OW261404 Beijing XINHUA in English 1321 GMT 26 Nov 86

[Text] Beijing, November 26 (XINHUA) -- Representatives from 26 countries have reached more than 140 agreements on technological cooperation since negotiations opened here November 24. Countries from the Asian-Pacific, Latin American and Caribbean region are participating in the meeting.

The technological cooperation agreements cover metallurgy, energy, light and textile industries, building materials, agriculture, animal husbandry, fisheries, forestry, science, education, medical and health work.

The intergovernmental programming exercise for technical cooperation among developing countries was jointly organized by the Chinese Government, the United Nations Development Program and the United Nations Department of Technical Cooperation for Development.

"This is a great gathering for strengthening inter-Third World cooperation," head of the Chinese delegation Shen Jueren said, adding that the participants display ways of cooperating in various fields in the spirit of equality and mutual benefit.

China and Brazil have reached 12 agreements, of which Brazil will provide China with technical training on fermenting and distillation in alcohol production, study tours on the exploration and development of iron ore resources, technology for land transformation, ramie fiber production, leather processing and study tours of large hydroelectric power stations. In return, China will provide Brazil with technical training in acupuncture and moxibustion, biogas projects, consultation services on small hydroelectric power stations, and study tours on designing and engineering small power stations, irrigation lines and drainage systems.

China has also reached agreements on technological cooperation with Argentina, Barbados, Chile, India, Indonesia, Jamaica, Mexico, Oman, Pakistan, Papua New Guinea, the Philippines, Surinam, Sri Lanka, Thailand, Turkey and Venezuela.

Ye Chengba, director of the Policy, Programing and Development Planning Division of the United Nations, said: "The progress made so far at the gathering shows developing countries have a strong desire and great potential for strengthening cooperation."

"Their technology to be exchanged is practical and inexpensive," he added.

Representatives are still busy negotiating technological cooperation agreements and some of them today visited a research center specializing in synthetic fibers. The meeting is scheduled to close on November 29.

I. 28 Nov 86

PRC INTERNATIONAL AFFAIRS
UNITED STATES

B 1

PRC REACTS TO U.S. POLITICAL 'CRISIS' SITUATION

Roundup of Repercussions

OW262133 Beijing XINHUA in English 1919 GMT 26 Nov 86

["Roundup: Serious Crisis of Credibility -- (by Li Yanning)"]

[Text] Washington, November, November 26 (XINHUA) -- U.S. President Ronald Reagan has plunged into his worst crisis of credibility since he entered the White House because of his secret arms-for-hostage deal with Iran.

In the past three weeks, the popularity of President Reagan and his government has sagged since the revelation of further details of his secret 18-month Iranian operation. Reagan has been quite popular among Americans since he became President in 1981, except the year 1982 when the country was in an economic recession.

The Iran ploy has drawn protests from critics, some within the administration, who say the shipment of arms, including some 2,000 TOW anti-tank weapons, looked like a bribe to release U.S. hostages held by pro-Iran groups in Lebanon.

In a nation-wide televised press conference Wednesday, Reagan said he had approved a secret effort to establish contacts with moderate elements in the Iranian Government. He admitted some U.S. arms had been shipped to Iran as a result. However, he denied the arms were traded for the release of three American hostages in Lebanon.

The first opinion poll conducted by ABC News after details of the alleged deal were released found 59 percent of respondents thought Reagan did not tell the truth about the Iranian operation. 78 percent disapprove of the administration's dealings with Iran. 61 percent believe there was an arms-for-hostage swap.

It was reported that Secretary of State George Shultz and Defense Secretary Caspar Weinberger had both made known their opposition to selling arms to Iran. The dealings had been kept hidden from Congress and were handled only by a few members of the National Security Council.

The latest issue of "NEWSWEEK" said: "The key to Reagan's success as a President is his reputation for candor, for consistency -- and for winning. All three qualities were badly strained by the high-risk gamble that he took when he started to haggle with the Iranians."

In the past few days, there has been confusion in the Reagan administration. Three days after Reagan's televised speech, Shultz told reporters the U.S. secret contact with Iran was "a subject for debate, and it is clearly wrong to trade arms for hostages." He meant he knew nothing about the secret deal. But former White House National Security Adviser Robert McFarlane said: "I told Shultz repeatedly and often of every item that went on."

Two days after Reagan refused to admit any mistake at the televised press conference, McFarlane said "it was a mistake" for the United States to sell arms to Iran and that he accepted responsibility for it.

Angrily, White House Chief of Staff Donald Regan said: "Let's not forget whose idea this was. It was Bud's (Robert McFarlane) idea. When you give lousy advice, you get lousy results."

There was widespread speculation of resignations or dismissals over the secret U.S. arms shipment to Iran over the past few days, but President Reagan indicated he did not want to sack anyone.

Confronted with one of the most serious foreign policy crises of his six-year-presidency, Reagan admitted one element of its implementation "was seriously flawed," and that he was not kept fully informed of his own aides' activities.

Meanwhile, he gave Attorney General Edwin Meese a "blank check" to investigate legal questions in the Iranian operations and promised to order a special panel to review the role of his National Security Council.

Attorney General Meese revealed Tuesday that as much as 30 million dollars in questionable payments the Iranians made for U.S. weapons was diverted to U.S.-backed Nicaraguan anti-government rebels. This stunning revelation forced two senior Reagan aides out of the White House.

Reagan's national security adviser, Navy Vice Admiral John Poindexter resigned as the latest disclosure was announced.

Reagan accepted Poindexter's resignation and fired his assistant, Marine Lieutenant Colonel Oliver North, whose involvement in contra matters has been extensive.

Meese said a weekend Justice Department investigation found that money Iran paid to Israeli agents for U.S. arms was placed in a Swiss bank account and diverted to the Nicaraguan contras. Department investigators would determine whether "any criminality" was involved in the 10 million to 30 million dollars transfer at a time when such contra aid was prohibited by Congress, he added. The aid ban expired less than two months ago.

When asked if any laws were violated, Meese said: "That's something we're looking into at the present time. It depends on two things -- precisely what was done and who did it... and what their conduct was." However, some legislators asserted that several laws had been violated when these funds were diverted to Nicaraguan contras.

It seems it will not be easy for President Reagan and the administration to pass through such a serious crisis.

Xinhua Views 'Confidence Crisis'

HK271534 Beijing XINHUA Hong Kong Service in Chinese 1335 GMT 27 Nov 86

["News Analysis" by XINHUA Reporter Li Yanning (2621 1693 1337): "One Crisis After Another"]

[Text] Washington, 26 Nov (XINHUA) -- One trouble appears before the other submerges. A new development in the matter of the U.S. secret arms sales to Iran has increased the seriousness and complexity of this event.

At noon on 25 November, President Reagan brought Attorney General Meese to his information room and let Meese announce his new discovery. The Attorney General's revelation shocked the dozens of reporters there. According to Meese, after the United States supplied weapons to Iran through Israel, Iran paid the money to Israel and part of this money (about \$10 million to \$15 million) was then transferred by some personnel of the U.S. National Security Council to a bank account in Switzerland, which is at the free disposal of the Nicaraguan contras.

According to Meese, Reagan instructed him on 21 November to investigate the implementation by the National Security Council of the President's policy toward Iran and particularly the process of the arms delivery to Iran. After the first stage of the investigation, the Justice Department found the above-mentioned problem late last week and reported it to the President on the evening of 24 November. Before that, the president knew nothing about such an arrangement. Secretary of State Shultz, Secretary of Defense Weinberger, and CIA Director Casey all knew nothing about it. "The only person in the U.S. Government who knew precisely the whole arrangement" was Lieutenant Colonel Oliver North, a member of the National Security Council, who directly took charge of this case. His superior, the President's Special Assistant for National Security Affairs, Mr Poindexter, "did not take care of the concrete arrangements although he knew that something of this kind was happening," and "did not try to stop it."

At the press conference, Reagan announced that he had accepted Poindexter's resignation and had dismissed North from his duties on the National Security Council. Reagan also said: "As I mentioned before, I (now still) believe that the target of our Iran policy is based on correct foundation. What drew my attention yesterday (that is, the information provided by Meese) made me believe: The implementation of this policy had serious defects." He said: "The report made by Meese helped me draw this conclusion: In the deal (with Iran), I was not fully informed of the character of one of the actions. This action gave rise to a question about its character."

Today's WASHINGTON POST quoted a trusted follower of Edwin Meese as saying that "no one can do better (than Meese) in protecting Reagan." The newspaper then said: During his interview yesterday afternoon with reporters held at the Justice Department, Meese stated: "It is impossible for one to know all the tasks being carried out by the 1,700 officials at the presidential office." "When someone does something wrong and does not report it to the President afterwards, I think the President does not bear responsibility for this."

Regardless of Meese's subjective intention, his announcement yesterday may have objectively made the following impression on the American public: The blunder was created by the working personnel under the National Security Council and the President was not in the know.

However, on the other hand, this announcement by Meese has created a new serious problem. Prior to this incident, congressmen and the public put the stress on finding out an answer to the following question: The United States lists Iran as one of those countries that supports terrorism; American law forbids arms sales to such countries; and the United States has repeatedly announced that it will observe neutrality during the Iran-Iraq war and that it will not provide arms for either of them. Under these circumstances, has President Reagan broken the law in deciding to supply Iran with weapons? Now, it has also come to light that, when the bill passed by Congress on banning all U.S. Government organizations from supplying the Nicaraguan contras with aid other than "humanitarian aid" was still in effect (it was only after 1 October this year that the ban was invalid), the personnel of the National Security Council perpetrated a gigantic fraud by stealthily using some money from the arms deal with Iran to support the Nicaraguan contras. Was not this doubly illegal and doubly wrong?

Precisely because of this, at the press conference yesterday, both Reagan and Meese were closely and repeatedly questioned by reporters. As soon as the press conference was over, the reporters scrambled for telephones to report this sensational new development. Almost all major U.S. newspapers today use banner headlines to carry this news. THE WASHINGTON POST today uses nearly the equivalent of nine pages to report various circumstances on the theme of arms sales to Iran.

At present, the situation is still developing. Congressmen are also voicing stronger demands to thoroughly investigate the work of the National Security Council. It looks as if the event is getting nastier. President Reagan's confidence crisis is just unfolding and things will not calm down in a short time.

Analysis of Resignations

OW271915 Beijing XINHUA in English 1635 GMT 27 Nov 86

["News Analysis: Resignation of Reagan Aides Raises More Questions About U.S.-Iranian Deal (by Li Yanning)"]

[Text] Washington, November 26 (XINHUA) -- President Ronald Reagan Tuesday announced the removal of two of his top aides for funneling, without his permission, part of the money from the U.S.-Iranian arms deal to Nicaragua's anti-Sandinist groups.

The astonishing new revelation has aroused more doubts about the lawfulness of the Reagan administration's secret contact with Teheran, despite the President's claim that the objectives of his policy are sound.

At a press conference Tuesday morning, Reagan said he had accepted the resignation of his national security adviser, John M. Poindexter, and dismissed Lt. Col. Oliver North as deputy director of military and political affairs at the National Security Council.

Reagan's decision followed a Justice Department finding that the Security Council transferred 10 to 30 million U.S. dollars in proceeds from the arms deals with Teheran to the Nicaraguan anti-government "contra" guerillas via a Swiss bank.

At the same press conference, Attorney-General Edwin Meese, a former presidential adviser, said Reagan, Secretary of State George Shultz, Defense Secretary Caspar Weinberger and Director of the Central Intelligence Agency William Casey, all members of the Security Council, were kept in the dark about the secret transfer.

"The only person in the United States Government that knew precisely about this was Lieutenant Colonel (Oliver) North. Admiral Poindexter did know that something of this nature was occurring but he did not look into it further...he did not try to stop it," Meese said.

The President in January gave the go-ahead to the Security Council's plan to supply arms to Iran. In the first nine months of this year, an estimated 100 million dollars worth of missiles and other weapons were shipped to Iran through Israel.

After the secret deal was exposed in the press this month, Reagan admitted two weeks ago that arms had been shipped to Iran, but he said the arms deal was a bid to improve relations with Iran, halt its sponsorship of terrorism, end the Iran-Iraq war and free hostages held in Lebanon.

On Tuesday, Reagan told reporters: "As I've stated previously, I believe our policy goals toward Iran were well founded. However, the information brought to my attention yesterday convinced me that in one aspect, implementation of that policy was seriously flawed.... This report led me to conclude that I was not fully informed on the nature of one of the activities undertaken in connection with this initiative. The action raises serious question of propriety."

THE WASHINGTON POST Wednesday quoted a close friend of Meese as saying that "protecting Ronald Reagan, nobody does it better" than Meese.

Speaking to reporters at the Justice Department Tuesday afternoon, Meese said: "You can't know what all 1,700 people are doing in the Executive Office of the President.... When someone does something that is not correct and then this is not reported to the President, I don't think he can be held responsible for that."

Meese's remarks, as well as his investigation of the secret deposit, seem designed to give the public the impression that it is not Reagan but his aides who should be held responsible for the U.S.-Iranian arms deal debacle.

However, according to political observers, Meese's argument might also provoke more doubts among members of Congress and the public about the lawfulness of President Reagan's decision to supply arms to Iran, a country which he has in the past accused of supporting terrorists.

Many Americans have already questioned if the arms deal violated U.S. laws prohibiting supplying arms to countries suspected of being linked to terrorists and the U.S. declaration of neutrality in the Gulf war.

To these Americans, the secret transfer of money to the contras looks like another breach of the law, because the cash was offered to them at a time when the United States Government was still prohibited from giving anything other than "humanitarian" aid.

The revelation about the deposits has been given wide play in the American press -- THE WASHINGTON POST, for example, devoted nearly nine pages to the story. As well, more congressmen have been calling for a thorough examination of the Security Council.

And political observers are saying that because of the keen public interest that has been generated in the arms deal affair, a major crisis for the Reagan administration, the end is still not in sight.

RENMIN RIBAO on 'Crisis'

HK271126 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 27 Nov 86 p 6

[Article by correspondent Zhang Yunwen (1728 0336 2429): "The Reagan Administration Faces a Political Crisis"]

[Text] Washington, 25 Nov -- The new events of President Reagan's statement at noon on 25 November and Attorney General Meese's revelation that Iran's arms payments were switched to the Nicaraguan contras have been regarded as a bomb by public opinion and have come as a great shock to political circles in Washington. [paragraph continues]

On the evening of the 25th, the CBS Television Network carried extra reportage on this development outside its normal news program. The reportage was entitled "Confusion in the White House."

Since the secret U.S.-Iranian diplomacy was exposed 3 weeks ago, the problem of the Reagan administration's prestige has become more conspicuous each day following the revelations of the details of this secret diplomacy. President Reagan's recent television address and press conference failed to calm this growing storm. It is widely held in political circles, including some government officials, that the Reagan administration is now facing a genuine political crisis. This crisis will be further deepened by today's developments.

According to Meese, the United States has sent three arms shipment to Iran this year, via Israel. Some \$12.5 million of the Iranian payment for the arms was sent from Israel to the Pentagon via the CIA, but the total Iranian payments greatly exceeded that figure. The balance, about \$20 million, was passed to the Nicaraguan contras via Swiss banks. According to an initial investigation conducted by the Justice Department, only three people knew about this: Lieutenant Colonel North, a member of the National Security Council; Presidential National Security Assistant Poindexter; and former National Security Assistant McFarlane.

America's arms sales to Iran and its move in switching the payments for these weapons to the Nicaraguan contras are viewed as a possibly serious violation of the law. First, at that time the Congress had already passed a law banning the provision of aid to the Nicaraguan contras; second, the arms sales violated the arms export law; and third, the provision of new aid for the contras had not been authorized by Congress. The fact that this major plot has unknown to the President and other senior officials has been termed "a monstrous absurdity."

Congress has already started hearings on the Iranian affair. Congressmen hold that the testimony of CIA Director Casey was "unbelievable." In fact it is very difficult to make people believe that 2,008 antitank missiles and 235 ground-to-air missiles are "insignificant" weapons that could have no impact on the balance of forces between Iran and Iraq, and could help to end that war.

In the past few days, senior government officials have been leveling sharp accusations at each other. Shultz has been censured by White House officials and accused by them of disloyalty to the President because he has repeatedly and publicly opposed the arms deals. McFarlane recently went back on his consistent stand and acknowledged that the arms deal was a mistake. This angered White House Chief of Staff Regan, who pointed out that secret diplomacy was in fact McFarlane's "lousy idea." Testifying in Congress yesterday, senior State Department officials repeatedly and publicly put forward views contrary to those of the President, causing great surprise among the congressmen present.

There have recently been repeated rumors that some old Californian friends and confidants of Reagan are getting ready to suggest to him that the White House and Cabinet teams should be reorganized. According to reports, their view is that Reagan is now facing "the darkest hour in the past 6 years," while Shultz's resignation or dismissal is being mentioned more and more frequently. Although Reagan has denied that he will fire anyone, public opinion is nevertheless prepared for some kind of reshuffle. However, Reagan's statement today about the dismissal of Poindexter and North still managed to take the media by surprise.

The Congress and certain former government officials are both shocked and worried over today's developments. What people cannot figure out is, how could such a major move be known to only three people? How could Poindexter and McFarlane, both old hands in politics who have held high government posts, have known about it without informing the President? People wonder whether others in high government circles knew about it. One question raised everywhere is, who gave North license? Some commentators have pointed out that the problem now is not just one of prestige; people are doubting the President's leadership and his ability to handle foreign policy. O'Neill, the retiring House speaker, issued a statement today saying that it is a national tragedy that the President's prestige should have been damaged in this way. One Republican Congressman even said that "the post-Reagan era" is now beginning. Such talk may be a bit premature, however, it will not be at all easy for the Reagan administration to recover its prestige at home and on the international scene. Democratic Senator Nunn said that the first challenge facing the Reagan administration is to restore people's faith in U.S. foreign policy. A former White House aide said that this is a problem related to whether President Reagan can exercise effective leadership during his last 2 years in office.

The investigation on the switch of the cash has started. People are eagerly awaiting the testimony of insider North, and are closely watching further developments.

XINHUA NOTES U.S. B-52 BOMBER DEPLOYMENT

OW271010 Beijing XINHUA in English 0715 GMT 27 Nov 86

["Reagan Bomber Approval Puts End to Salt II"]

[Text] Washington, November 26 (XINHUA) -- The U.S. Air Force will deploy its 131st cruise-missile-carrying B-52 bomber Friday, exceeding the limits on strategic weapons in the 1979 Strategic Arms Limitation Treaty (SALT II) with the Soviet Union, the local press reported today. The reports quoted unidentified Pentagon officials as saying that U.S. President Ronald Reagan made the final deployment decision at a meeting of his top national security advisers on Tuesday. The officials said Reagan rejected the idea of retiring some older Poseidon-missile submarines to remain within the SALT II limits. They said Reagan's final decision was "based on the Soviet threat" and continuing Soviet violations of the treaty, including deployment of a new generation land-based missiles. The officials told reporters Reagan also agreed that more aging B-52 bombers will be converted to carry cruise missiles and the next conversion will be finished early next year.

The SALT II treaty was signed in Vienna in 1979 by then U.S. President Jimmy Carter and late Soviet leader Leonid Brezhnev, but was never ratified by the U.S. Senate. Both countries claimed their obedience to the treaty despite Senate balking.

Reagan announced last May that the U.S. would end its adherence by the end of this year unless the Soviets took effective measures to end its violations.

The treaty allowed the United States to have 1,320 missile launchers, including 130 cruise-missile-carrying strategic bombers.

QIAN QICHEN MEETS SOVIET DISARMAMENT OFFICIALS

OW270904 Beijing XINHUA in English 0856 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Chinese Vice-Foreign Minister Qian Qichen met and feted here last night L.A. Masterkov, department director of the Arms Limitation and Disarmament Bureau of the Soviet Foreign Ministry.

Earlier yesterday, the Soviet offical briefed Li Daoyu, director of the International Organizations and Conferences Department of the Chinese Foreign Ministry, on the arms limitation talks between the Soviet Union and the United States.

Masterkov has come to Beijing as guest of the Soviet Ambassador to China O.A. Troyanovskiy.

USSR SPOKESMAN CITED ON U.S. VIOLATION OF SALT II

OW272110 Beijing XINHUA in English 1912 GMT 27 Nov 86

[Text] Moscow, September 27 (XINHUA) -- The SALT II Treaty will be a mere scrap of paper when an American B-52 bomber with cruise missiles enters the service tomorrow, and Moscow is considering concrete countermeasures, a Foreign Ministry spokesman said today.

Deputy ministry spokesman Boris Pyadyshev told a news briefing the United States plans to break the 1979 SALT II limits tomorrow. This would inevitably exert a negative influence on superpower disarmament negotiations in Geneva.

The United States says the 131st B-52 bomber capable of carrying nuclear cruise missiles will be placed in operational status Friday.

Reports said U.S. President Ronald Reagan refused to retire outdated missiles to keep within the treaty limits on the number of warheads. The treaty was never ratified by the U.S. Senate, but the two superpowers agreed to abide by its provisions.

"The Soviet Government has already said that it will consider itself free of the corresponding measures of that treaty" if the United States exceeds SALT II weapons limits, Pyadyshev said.

The military balance between the two countries cannot be violated, the spokesman said, adding that the Soviet Defense Ministry "is thinking about what concrete, practical steps might be taken" in response to the U.S. move, though it is not in a hurry to do so.

Pyadyshev said the U.S. action "cannot help but influence most negatively the atmosphere in which Soviet-American contacts take place in the context of arms and forces reduction."

XINHUA CITES DPRK CONDEMNATION OF U.S.-ROK GAMES

OW250852 Beijing XINHUA in English 0725 GMT 25 Nov 86

[Text] Pyongyang, November 25 (XINHUA) -- The Committee for the Peaceful Reunification of Korea condemned yesterday the recent U.S.-South Korean war games.

The committee of the Democratic People's Republic of Korea said in a communique that the United States and South Korea recently conducted a military maneuver over the highway linking Seoul and Pusan in which F-16 fighter bombers were used.

The United States has brought new military equipment worth one billion dollars into South Korea over the past five years, the committee said.

The United States and South Korea recently announced their decision to deploy "Lance" missile troops near the military demarcation line.

The committee said this move only proves that the United States and South Korea re intent on provoking war on the peninsula.

The committee called for the immediate withdrawal of U.S. troops and nuclear weapons from South Korea and a halt to any military provocation.

XINHUA NOTES DPRK PROTEST OVER 'LANCE' MISSILES

OW252300 Beijing XINHUA in English 1656 GMT 25 Nov 86

[Text] Pyongyang, November 25 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today protested the U.S. attempt to bring "Lance" missiles into South Korea, the Korean Central News Agency (KCNA) reported today.

The protest was contained in a letter sent to his U.S. counterpart by Yi Tae-ho, senior member of the Korean-Chinese side to the Korean Military Armistice Commission.

On November 14, the U.S. Defense Department and the U.S. Eighth Army Command in South Korea officially announced that a battery of "Lance" missiles would be deployed in the U.S. Second Division District near the military demarcation line in a few months.

The "Lance" missile, Yi said, is a mobile ground-to-ground strategic missile. It is a mass destruction weapon capable of launching neutron and other nuclear warheads and chemical weapons.

This is a challenge to the Korean people striving for national reunification, for the establishment of a nuclear-free and peaceful Korea, and for the complete elimination of nuclear weapons, he pointed out.

He demanded that the United States stop immediately its plan to ship "Lance" missiles into South Korea in accordance with the armistice agreement.

THAI FOREIGN MINISTER ENDS PRC VISIT 25 NOV

OW251300 Beijing XINHUA in English 1258 GMT 25 Nov 86

[Text] Beijing, November 25 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila and his party left here for home by air this evening at the end of a friendly visit to China.

Sitthi returned here this morning after a tour of Xiamen and Shanghai.

Comments on Trip

BK280838 Beijing International Service in Thai 1330 GMT 26 Nov 86

[Interview given by Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila to unidentified correspondent in Shanghai; date not given -- recorded]

[Text] [Correspondent] Respected Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila, you led a Thai delegation to visit China at the invitation of His Excellency Wu Xueqian, the PRC foreign minister. Please tell us the purpose of the current visit and its results.

[Sitthi] The current visit was at the invitation of His Excellency Foreign Minister Wu Xueqian, who made the invitation some time ago. Initially, I wanted to come in July but had to postpone until now. On the purpose of the visit, in my relationship with Wu and as part of Thai-PRC relations, we have exchanges of views on situations that concern peace and stability in our region and our bilateral relations. I will sum up the visit by saying that I am very satisfied with the results of the current visit. The Chinese side has told me that the success of the visit is enormous considering the length of the visit, which was only 5 days.

[Correspondent] Thai-PRC diplomatic relations are 11 years old. During these 11 years the governments and people of both countries have had close contacts. Thai and Chinese leaders have been satisfied with the fine relationship between their countries and have felt that the two countries should expand the scope of relations. In which areas of relations do you think the two countries can further expand?

[Sitthi] Our countries have a close political relationship, like one between fraternal and neighboring countries. We have many consultations in the political area. Comparatively speaking, the political relationship between our countries is currently very good. On my visits to China in the past 2-3 years, we wanted to establish a stronger foundation for economic, investment, trade, and tourism cooperation -- a people-to-people foundation. We now have various cooperation agreements, particularly in the fields of investment protection and trade.

During the visit of His Excellency Deputy Prime Minister Tian Jiyun to Thailand, he and I signed an agreement on avoidance of double taxation in order to promote increased investment by Thailand in China and vice versa for mutual benefit. Our combined trade volume is currently about \$500 million. I suggested to [name indistinct] and Tian Jiyun that we ought to further expand trade relations. This is highly possible now because accompanying me on this trip were leading Thai businessmen and journalists. [Words indistinct] discussions between the businessmen made considerable progress. Moreover, the Joint Thai-PRC Economic and Social Commission meets every year. Next month my deputy foreign minister will go to Beijing.

Every year we make a trade protocol specifying the products which we will trade. We will have to establish a new trade practice in which both sides will help each other. Now that the businessmen have made their observations, they suggested that we ought to exchange data and to gather data about what Thai products southern Chinese provinces want so Thai firms can produce them for markets there. The former practice of trading in agricultural products will evolve into trade in processed agricultural products which will bring more revenue. An agreement has been made on this matter. Thai firms will participate in many joint ventures in animal feed plants for poultry, pigs, shrimps, eels, and so forth. We also discussed this issue during this visit.

We will also have to promote tourism, including projects by Thailand. Our planes now fly two flights a week to China. The Chinese have opened up several tourist spots, and Thailand has many attractive tourist spots. Therefore, we ought to have more tourism exchanges. This is the foundation of our relations in the social, economic, investment, and other fields which will become the permanent foundation in the relations between the two countries.

[Correspondent] Before your current visit, in your speech at the banquet for visiting diplomats based in Beijing, you asked countries and people of the world to support Thailand's efforts for a political settlement of the Cambodian problem. Could you explain Thailand's views on solution to the Cambodian problem?

[Sitthi] The cause of the Cambodian problem is the Vietnamese invasion and occupation of Cambodia, which is wrong and violates the UN Charter and international law. It threatens the world and peace in this region and destabilizes the region. Thailand's only wish is for Vietnamese soldiers to pull out of Cambodia, for a political settlement of the Cambodian problem, and for Cambodians of all factions to be able to determine their own destiny so that Cambodia will become an independent, neutral, and nonaligned country.

I met with General Secretary Hu Yaobang [words indistinct], he even hoped that Cambodia in the future will not be a socialist country because current conditions there are not socialist.

The world community has continued to vote in support of Thailand and ASEAN. For this reason, I feel that the Cambodian problem cannot be settled by military measures. It can only be solved by political means. Thailand's stand is the same as that of China.

[Correspondent] Thank you very much for your valuable time. You will return to Thailand today, am I right?

[Sitthi] We will leave at about 1700.

[Correspondent] I wish you a safe trip home. Goodbye.

SINGAPORE TRADE DELEGATION VISITS PRC

OW271925 Beijing XINHUA in English 1608 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Luo Gan, vice-president of the All-China Federation of Trade Unions, met and feted here tonight a delegation from the National Trades Union Congress of Singapore led by Assistant Secretary General Goh Chee Wee.

The host and guests had a cordial conversation on expanding ties between the two countries' trade union organizations.

FRG ASKED TO LOCATE DIPLOMAT WHO 'DISAPPEARED'

HK261200 Hong Kong AFP in English 1156 GMT 26 Nov 86

[Text] Beijing, Nov 26 (AFP) -- A Chinese spokesman said Wednesday that a Chinese diplomat and his wife reported to be seeking political asylum in West Germany had "disappeared," adding that Beijing had asked for Bonn's help in finding them.

"The commercial first secretary of the Chinese Embassy in the Federal Republic of Germany and his wife disappeared recently," a spokesman said by telephone in response to reporter's questions. "We have already requested the government of the Federal Republic of Germany for assistance in finding them," he added.

(Official sources in Bonn have identified the diplomat as Tu Bingru, first secretary in the embassy's Trade Department since 1984. The sources said he applied for asylum Monday at the Federal Immigration Office in Bonn along with his wife. He is one of 15 first secretaries at the embassy and is considered to be of middle rank, informed sources said.)

Analysts here said the phrasing of the Chinese response suggested Beijing hoped to keep the matter low-key and was unlikely to endanger relations with West Germany and other European countries in an attempt to get the diplomat back.

China's current attitude towards such matters could be seen in its approach towards the case of Chinese dissident novelist Yu Luoqing, who sought political asylum in West Germany in March, the analysts said. Beijing made virtually no protest about her defection at the time and according to well-informed sources here has since allowed the writer's husband to join her in West Germany.

The case of the diplomat could be complicated, however, because of the possibility he had access to confidential information and official concern that his case could set an unwelcome example for other Chinese diplomats abroad, the analysts said.

GU MU MEETS GERMAN FEDERAL YOUTH DELEGATION

OW201444 Beijing XINHUA in English 1303 GMT 20 Nov 86

[Text] Beijing, November 20 (XINHUA) -- State Councillor Gu Mu met here today a delegation from the German Federal Youth Council, led by Chairman Klaus Westermann.

FANG YI, SONG JIAN MEET BRITISH SCIENTISTS

OW220712 Beijing XINHUA Domestic Service in Chinese 1455 GMT 18 Nov 86

[Excerpts] State Councillor Fang Yi and State Councillor and Chairman of the State Scientific and Technological Commission Song Jian this afternoon met with noted British biochemist and historian of sciences Dr Joseph Li and his assistant Dr Lu Guizhen respectively. [passage omitted]

Joseph Li is setting up a new library for the "Joseph Li Research Institute" at Cambridge for the purpose of writing a book entitled "The History of Chinese Science and Technology" and cultivating people who are engaged in the study of the history of China's natural science. During the meeting, Song Jian praised Joseph Li's efforts and stated that the PRC would make a donation toward the building of the new library. [passage omitted]

I. 28 Nov 86

C H I N A
PRC NATIONAL AFFAIRS

K 1

YOUTH PAPER 'PARDONED' FOR DENG RETIREMENT ITEMS

HK270332 Hong Kong HONGKONG STANDARD in English 27 Nov 86 p 8

[By Yau Shing-mu]

[Text] The SHENZHEN YOUTH, reportedly China's most liberal newspaper which is published in the Shenzhen Special Economic Zone bordering Hong Kong, has just had a narrow escape.

It has been pardoned for calling on supreme Chinese leader Deng Xiaoping to step down.

That itself was not the main reason the paper was put on the mat as Mr Deng himself has repeatedly announced his intention to retire early to set the tone for a truly collective style leadership in China.

The paper was castigated for publishing the Shenzhen municipality's reaction to its Deng suggestion, both of which appeared in its publication late last month.

Sources say the paper's staff had to provide a lengthy explanation to Beijing in which they admitted "carelessness and inaccuracy" before they were let off the hook.

The first article, slotted in as the leading commentary on the front page of the paper's October 21 issue, broke the uniform tone of the press in China.

It was the first commentary for widespread dissemination in China that supported publicly Mr Deng's early retirement idea.

But the party's Central Committee has never taken up this question and no publication has publicly commented on the suggestion.

The SHENZHEN YOUTH article raised eyebrows all over the country.

Surprisingly, it was written by Qian Chaoying, an official of the Propaganda Department of the party in Shenzhen.

It argued that Mr Deng's retirement would set a good example towards ending the life-tenure system and demonstrate the vitality of the collective style of the current leadership.

It would show that this leadership was not dominated by a particular figure, the paper added.

It would also show the world that the policy on the Hong Kong future unchanged even if Mr Deng left the scene. [sentence as published]

I. 28 Nov 86

K 2

CHINA
PRC NATIONAL AFFAIRS

Mr Deng is the chairman of the party's Central Advisory Commission, the Central Military Commission of the state and the party.

A week later the paper carried reactions to its commentary from Shenzhen's top municipal officials who voiced support of the idea.

An insider told THE STANDARD that the headquarters of the Communist Youth League in Beijing immediately investigated why Shenzhen took sides on the issue.

This was probably to establish if an anti-Deng power bloc existed in Shenzhen.

The paper is controlled by the Communist Youth League and is published twice a week.

Said the source: "In fact, the report did not quote anybody. What it reported was hearsay.

"Perhaps hearsay picked up from private discussions; but without confirmation, the municipal authorities should not have been mentioned," the source said.

"I think our paper is most liberal and freest on the mainland. But the case in point is most important, sensitive and fluid as no party decision has yet been made.

"Thus, we should handle this issue carefully," a ranking official of the paper said.

"There is still a long way to go in freeing the press, though some quarters of the central government are trying hard to launch a discussion campaign to give the press more room to manoeuvre.

"Anyway, the government has not been able to legislate a press law although the drafting work on one was completed a long time ago."

ZHAO ZIYANG SUGGESTS MINISTRY OF SUPERVISION

OW270802 Beijing XINHUA in English 0742 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- China will likely reinstate a Ministry of Supervision over the government departments, government workers and government employed factory managers. Premier Zhao Ziyang introduced a motion calling for the establishment of the new ministry at the on-going meeting of China's highest legislature.

Under the new ministry, a system of checks would be set up to make sure state policies are implemented and laws and regulations are observed at the government departments.

The motion was submitted to the 18th meeting of the National People's Congress Standing Committee for deliberation.

If the motion is passed, the State Council will set up the new ministry but the corresponding supervisory departments will be instituted at local governments above the county level.

Speaking for the motion, Vice-Premier Qiao Shi said the task of the new ministry is not only to supervise the implementation of state policies, laws and regulations but to handle cases involving violators, deal with complaints and charges, and examine disciplinary measures taken against government employees.

The supervisory organs of the local level will have the right to examine, investigate and the right to take certain administrative disciplinary measures. If their decisions are not accepted by violators, they can lodge complaints to the supervisory organs at higher level or the State Council.

TIAN JIYUN SPEECH AT RURAL WORK CONFERENCE

OW252255 Beijing XINHUA Domestic Service in Chinese 0149 GMT 25 Nov 86

["Persist in Reform and Promote the Sustained and Steady Development of the Rural Economy -- Speech at the Central Rural Work Conference (8 November 1986) By Tian Jiyun"]

[Text] Beijing, 25 Nov (XINHUA) -- Comrades: To study and plan the rural work for next year in a fairly timely manner, this year's rural work conference is held somewhat earlier than usual. The main items on the conference agenda are to analyze the current rural economic situation throughout the country and to study the principles and policies for furthering the rural reform and rural economy next year. Following this conference, the party Central Committee and the State Council will issue a document to guide next year's rural work. Now I would like to offer some opinions on the following three questions:

1. On the Current Situation [subhead]

Presently, our country's political and economic situations are both very fine, presenting a gratifying scene of prosperity and development.

The people of all nationalities around the country are together making concerned efforts to proceed with the four modernizations program, and the reforms in all fields are progressing smoothly and developing in depth. Party rectification work is also advancing smoothly with a turn for the better appearing in our party style and in the standards of social conduct. Socialist democracy and the socialist legal system have been further strengthened, and significant advances have been made in building the socialist spiritual civilization. The political situation marked by stability and unity has continued to be consolidated and developed.

The "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization," adopted at the 6th Plenary Session of the 12th CPC Central Committee last September, is of vital immediate and long-term importance in pushing forward the work of building a material as well as a spiritual civilization in our country, promoting all-round reform and opening to the outside world, and building socialism with Chinese characteristics.

Our economic structural reform has made new progress, following the efforts to consolidate the achievements scored in the past few years. The work of intensifying and improving macrocontrol over the entire national economy and increasing the enterprises' vitality have yielded conspicuous results. Lateral cooperation has also shown considerable development in the realms of production, commodity circulation, science, and technology. These are two striking results we have achieved this year in reforming our economic structure. In view of the rather stable economic situation and the improved economic environment this year, we have put into effect this year some economic measures originally scheduled for next year so as to alleviate the hard-to-bear burden resulting from too many reform measures executed in the same year. These include predominantly raising the lumber price in the north, increasing the purchase price of corn, soybeans, and sunflower seeds in the three northeast provinces and Nei Monggol, further decontrolling the prices of small commodities, properly adjusting the prices of certain industrial products, and beginning to widen the commodity price disparities between fine and poor quality, wholesale and retail, and between different places and different seasons. In addition, two major reforms have been made beginning the fourth quarter: One is the labor reform centered on the implementation of a labor contract system in state-owned enterprises. The other is that more industrial enterprises owned by the masses have reformed their systems of leadership on an experimental basis. The implementation of these reform measures has produced and will surely continue to produce a far-reaching impact on our country's economic construction and economic life.

Generally speaking, the development of the entire national economy has become increasingly close to normal development since the beginning of this year. The nationwide gross industrial output value from January to October met 81.5 percent of the annual target, up by 7.4 percent compared with the corresponding period last year. A relatively large increase is noted in the production of energy, raw and semifinished materials, and readily marketable products. It is expected that the industrial growth rate for the whole year will reach 7 to 8 percent. Meanwhile, the rural economy has further developed so that the grain output is expected to surpass last year's. The market is characterized by brisk buying and selling. Supplies of commodities are more ample than last year, and the level of retail commodity prices may even be lower than the target set for controlling such prices. The amounts of currency withdrawn from circulation and people's savings in urban and rural areas have both outstripped last year's records. In foreign trade, the volume of exports has increased. Fixed asset investments on projects included in the budget have been mostly put under control, while the trend of excessive growth of consumption funds has been checked to some extent. Good results have also been achieved in fulfilling the financial revenue plan.

Further progress and development have been made in rural work. The results are fruitful. The production structure has been further readjusted. The various localities have paid particular attention to grain production by increasing input and strengthening leadership. The peasants' enthusiasm for grain cultivation has been enhanced through institution of the contract procurement system, the introduction of measures to aid agriculture by industry, and the lowering of prices for fertilizers produced by small chemical fertilizer plants.

The national grain acreage has been increased by more than 30 million mu compared to last year. The output of summer grain and early rice this year rose by more than 10 billion jin over 1985. Despite serious natural disasters in some important grain-producing provinces, a comparatively good autumn grain harvest has been reaped thanks to efforts by the masses in fighting the disasters. Taken as a whole, 1986 is still a bumper year for grain production. Success has also been scored in building agricultural commodity bases. In the course of readjustment, the village and town enterprises continued to grow, and their product quality and management further improved. New progress has also been made in the work to assist the poor areas to become better-off. The State Council set up the Leading Group for Economic Development in Poor Areas this year. The various localities and departments have strengthened supervision over work in the poor areas, intensified investigations and studies, clarified the guiding ideology, and adopted effective measures for helping the peasants to overcome poverty and achieve prosperity. Relatively good results have been scored in this respect. Rural commodity production has continued to develop, and the rate of commercialization of farm produce has been enhanced. Farm produce markets in most of the medium-sized and small cities are booming, and the circulation of aquatic products, vegetables, and fruit is comparatively smooth. The peasants have made new developments in pre- and post-production cooperative services and they have promoted lateral ties. Some localities have paid proper attention to strengthening the building of rural capital construction and the repair, maintenance, and management of rural irrigation facilities have been improved in various places. In short, the reform is gradually deepening, and the agricultural population of 800 million is living happily and working in peace and contentment. In addition, the peasants' enthusiasm for production is surging, and a commodity economy has been further developing. All these are the principal signs of an excellent situation in the rural areas.

Of course, there are still some problems in the course of economic development, namely, poor economic results, low labor productivity, declining product quality, and rising deficits for enterprises. No substantial changes have been made in production setup product mix, consumption pattern, or market supply and demand. Also, some departments, localities, and enterprises have made excessive investments in fixed assets. Due to declining international oil prices, adjustment in the exchange rate of renminbi to foreign currencies, and rising expenditures in certain areas, some financial deficits are expected for 1986 despite the adoption of certain measures to remedy the situation. In agriculture, because of weak material and technical foundations, excessive tapping of certain resources, and the aging of existing facilities, the ability to withstand natural disasters is deplorable. For this reason, grain output in 1986 failed to reach the historical high set in 1984. Following the implementation of the household production contract responsibility system nationwide, the state has not yet found a good solution to the macroeconomic regulation of agricultural production. With the rural commodity circulation system not yet perfected and the circulation of many farm products still clogged, the price of some produce continued to fluctuate a great deal. Despite all the work in building rural grass-roots organizations, in selecting, promoting and training grass-roots cadres over the past several years, and in spite of the achievements scored, this work is not keeping pace with the needs for rural reform and for the building of the two civilizations. The aforementioned problems arising from the course of advance can be solved step by step. Taking into account the situations of various quarters, the economy in 1987 will maintain its sustained stable growth, and the situation will be even better next year.

In the final analysis, the central authorities' principles for continuing to strengthen and improve macroeconomic control and the principles for consolidating, digesting, supplementing, and improving reform are correct. Thanks to the earnest implementation of these principles, the unstable factors in the national economy have diminished, and reforms have been further consolidated and developed, thereby producing favorable conditions for reform in 1987.

We must have a sober understanding of the overall situation. We must fully affirm the achievements, face up to the existing problems, enhance confidence in reform, do practical work, and continue to develop the excellent situation.

2. Basic Requirements in Next Year's Rural Work [subhead]

Under the Seventh 5-Year Plan, China's average rural social output value is to increase 6 percent annually. By 1990, the annual output of grain should reach from 850 to 900 billion jin, that of cotton 85 million dan, that of meat 22.75 metric tons, and that of cement 9 million metric tons; the acreage covered by forests should reach 14 percent of the total land area; and the total irrigated area should increase 20 million mu in 5 years. It is an arduous task to meet these requirements. Next year will be the second year of the implementation of the Seventh 5-Year Plan. Progress should be made in all areas next year. The general requirements for next year's rural work are: Continuously persisting in reform; doing a good job in grass-roots party rectification; striving to increase grain output by a relatively big margin; developing the commodity economy in an all-round way; and achieving sustained and steady growth in rural economy.

Continuing the reform will be the most important task in next year's rural work. The general guidelines for next year's economic structural reform are: Continuously strengthening the enterprises' vitality; improving the market function and macro-management; developing social productivity; and ensuring the national economy's sustained, steady, and coordinated development. The current shift of the focus of the economic structural reform to the cities does not mean that the rural reform is nearly completed. The fact is that the task of rural reform is still arduous. Continued efforts and improvement are still needed in implementing the original reform measures; and new reform measures are also called for by the developing situation. The widespread household contract responsibility system has put an end to the long-standing system of "sharing food from the same big pot" and greatly aroused the peasants' enthusiasm. This policy will not change and will continue for a long time to come. Of course, following the improvement in agricultural productivity, the household contract responsibility system must also be improved and perfected. In the developing commodity economy in the rural areas in recent years, what the peasants most urgently need are services to assist them before, during, and after production. These services form an important link in the process of changing from a natural to a commodity economy in the rural areas. Our work must keep pace with the situation and provide guidance according to the circumstances. We must regard the development of various economic forms, various kinds of management methods, and multilevel services as important measures for deepening the rural reform. We must do a good job in improving the rural circulation system, unblock the circulation channels, develop lateral cooperation, and enliven the rural commodity economy. Currently, family-run and cooperative farms of considerably large size have appeared in the economically developed localities and in the suburbs of large cities. Their large size has enabled them to achieve good economic results. We may experiment with it in areas where the conditions are available. But this does not mean that we should rush ourselves and engage in large-scale operations without first giving consideration to our own conditions. We should by no means be over enthusiastic and engage in this sort of experiment in localities where economic conditions are relatively poor and where the disposal of excessive farm labor is relatively difficult. We do not mean that the above reform tasks should all be fulfilled next year. Some of them take several years or longer. Therefore, in implementing the reform measures, we have to be both enthusiastic and yet careful, avoid excessiveness, suit measures to local conditions, be realistic, and never require "uniformity" in everything.

Some localities are exploring new ways of economic cooperation. This is a complicated and sensitive issue. In exploring new ways for economic cooperation, we must let the peasants take the initiative and make their own choices, and we must respect their pioneering spirit. The leaders must not insist on certain models or impose restrictions and should never promote those large-scale cooperativization movements like in the past.

While trying to make the reform a success next year, we must also integrate the reform with other rural tasks in order to make new progress in rural economic construction.

A. Do a down-to-earth job in promoting grain production and continue to make rational readjustments to the rural production structure.

The situation of grain production has a decisive impact on our entire reform and construction efforts. We must continuously do a conscientious job in implementing the principle "never relax grain production, actively develop diversification" and strive to increase grain output by a large margin. In June this year, Comrade Deng Xiaoping pointed out: "In agriculture, the main problem is grain. If agriculture suffers a setback, the problem cannot be solved in 3-5 years." He also said: "In exercising macrocontrol, we must put agriculture in a proper position, keeping in mind the target of achieving a total grain output of 960 billion jin by the end of the century." This is an important guiding concept for developing China's rural economy. China's achievements in grain production in recent years have attracted worldwide attention. However, because of China's large population and scarcity of arable land, the development of the food and feed industries which use grain as their main raw material, and the improvement in the people's diet, the demand for grain has become greater and greater. Therefore, China will face a grain shortage, rather than a grain surplus, for a considerable time to come. We must rely on ourselves, not imports, to solve our grain problem. Leaders at all levels must clearly realize this fact and work out long-range plans. This year's grain output is higher than last year's but is still lower than expected. We must strive to make next year's grain output reach or surpass that of 1984. To reach that goal, we must continuously adopt effective measures to protect and arouse the peasants' enthusiasm for growing grain crops and ensure them economic benefits from this. An important measure to promote grain production is properly raising grain prices. But currently we do not have the necessary conditions to raise grain prices by large margins. Thus, we must adopt other economic measures to mitigate the contradictions in grain production. We must continue to implement the contract system for grain purchases. For a considerably long time to come, we must persist in buying grain according to prices stipulated in contracts and at negotiated prices. We must make it clear that under the present conditions in China, a contract for grain purchase is both an agreement and a duty. We must clearly explain this to the peasants. We must call on and encourage the peasants to fulfill their obligation of selling grain to the state according to signed contracts. At the same time, we will gradually improve measures concerning contracts for grain purchases and readjust the national target for grain purchases. The various provinces, municipalities, and autonomous regions can formulate specific plans in this regard according to local conditions. Readjusting the quota of grain purchases in contracts does not mean that the state can now afford to buy less grain because there is a grain surplus. Rather, it means that the over-quota grain may be sold at negotiated prices to give more economic benefits to the peasants. In addition to readjusting the basic quota of contract grain purchases, we will make the contract more mutually beneficial by linking grain sales to the distribution of chemical fertilizers and diesel oil as well as the down payment.

The standards for these mutually beneficial terms have already been set. The various departments and localities must seriously implement them and ensure that they are honored down to the peasant households. Beginning with the marketing of next year's new grain and cotton crops, we will suitably raise the purchase prices for certain varieties of grain and oil-bearing seeds in a number of localities. The purchase price for cotton produced in southern China will be readjusted from the "4:6" ratio to a "5.5" ratio. The purpose of making minor price readjustments is to gradually solve the problem of irrational pricing of various kinds of agricultural products. The economically developed areas must continue to subsidize agriculture with industry. At the same time, they must stabilize the acreage of grain crops. In readjusting the rural production structure, measures taken must suit local conditions. Even in the mountain regions, we must adopt a step-by-step approach without undue haste in reverting former forest and pastoral land that has been converted to farmland, back to their former status. The mountain regions must take positive actions to improve the medium and low yield farmland, continue to build up marketable grain bases, pay attention to the application of science and technology, and strive to raise the per unit yield of grain. They must also take measures to ensure the stability of cotton acreages, raise the per unit yield of cotton, and make rational distribution of their cash crops, thereby achieving all-round development.

Currently, forestry and animal husbandry are weak links in China's agricultural economic development, and measures are urgently needed to strengthen construction in these two sectors. Due to excessive felling in many forest zones in recent years, the state-run forest enterprises are in economic difficulty. The syndrome of existing problems in forestry calls for comprehensive treatment. It is necessary to enhance understanding for forestry and enable the entire society and all the people to take seriously forestry work. We must foster a correct guiding ideology, a strategic plan, and an operating policy. The fundamental solution to forestry development lies in vigorously planting trees to increase forest resources and raise the ratio of forest cover. The operating policy should be to coordinate lumbering and afforestation while giving emphasis to the latter. It is also necessary to promote comprehensive development and diversified operations, and improve management to raise economic results. We must further study the forestry economic policy. The general policy should be to give active support to forestry in order to invigorate it. To tackle problems in the state forest zones, the General Office of the State Council has already transmitted a summary of minutes, and called for earnest implementation by the various localities and departments. The forestry departments must seriously sum up experiences and continue doing a good job. At the same time, the state and the localities must give necessary support to forestry work. Thus, there is hope that forestry can be revitalized. The pastoral areas must further perfect the production responsibility system in order to whip up the herdsmen's enthusiasm in livestock production. We must energetically step up pastoral work, pay attention to scientific livestock farming, raise the rate of commercialization for livestock products, further adjust the purchasing and marketing policies, unclog circulation channels, and vigorously promote lateral economic cooperation in order to enhance the pastoral economy. Southern China must pay attention to developing, utilizing, sowing grassy hills and slopes, and raising grazing animals. Since the current meat supply to cities and the countryside comes mainly from pigs in the rural areas, it is therefore necessary to take effective measures to ensure a steady growth in pig production and to prevent big fluctuations in supply. The CPC Central Committee and the State Council have planned to convene a special meeting at an appropriate time next year to study problems related to forestry and animal husbandry. It is hoped that the various localities and relevant departments will make serious investigations and studies and submit proposals for reform.

To ensure steady and healthy growth for village and town enterprises, we must adhere to the policy of active support, rational planning, correct guidance, and improved management. In developing village and town enterprises, we must simultaneously promote township, village, household, and cooperatively-run enterprises, and regard them as the "four wheels of a vehicle." We must proceed from local conditions, tailor plans to market demand, strive to individually carry out projects, and avoid blindly pursuing new undertakings. Village and town enterprises in economically-developed areas must pay attention to tapping potential, making innovations, strengthening ties with industries in cities, and improve quality and economic results. Although it is necessary to apportion some of the income from village and town enterprises to "subsidize agriculture," the amount of money apportioned must be appropriate and it is strictly prohibited to apportion expenses at will.

The state farms must earnestly implement the guidelines of the central authorities' relevant documents, further improve the running of family farms contracted by workers and staff, perfect the joint operating system of large and small farms, and develop lateral economic cooperation in order to enhance their vitality. Systematically, the state farms must be built into stable commodity production bases for domestic and foreign trade, into exemplary bases in agricultural specialization, commercialization, and modernization, and into service centers in the localities for the propagation of advanced technology and fine seed strains in the rural areas, and as centers for processing, transportation, and marketing.

B. Actively Improve the Interflow of Commodities To Invigorate Commodity Circulation in Rural Areas

In China, the question of marketing is ultimately one involving rural markets because, with the vast area and 800 million peasants, the Chinese countryside supplies a huge market. Invigoration of commodity circulation in rural areas is of great importance in developing the national economy as a whole. Along with the development of commodity production, peasants have become more and more dependent on commodity circulation, and there is a growing demand among them for reform of the commodity circulation system. Experience over recent years has indicated the need to relax control. However, it does not mean that all problems can be solved that way. It is necessary to carry out tremendous and meticulous organizational work to enable hundreds of millions of Chinese peasants to become commodity producers, successfully set up markets, and obtain good economic benefits. In recent years, we have achieved remarkable progress in reforming the circulation system in rural areas, which should be confirmed. However, much remains to be done in continuing the reform. Problems in circulation should be tackled along with those in production. Due to obstruction in circulation, many agricultural products were kept too long in stock, and the poor economic benefit has dampened the enthusiasm of producers and dealers. Therefore, we must take vigorous efforts to reform the rural circulation system next year. First, we should study various purchasing and marketing methods and improve the purchasing and marketing system, based on different characteristics of farm and sideline products and their relations to the national economy and the people's livelihood. Efforts should be made to solve problems involving keen competition to buy popular products and reluctance to market or purchase not-so-popular goods. Second, it is necessary to develop diverse channels of circulation in order to resolve the existing contradictions between small producers and big markets. It is necessary to mobilize state, collective, and individual sectors to gradually set up multichannel commodity circulation networks at various levels, and with diverse forms, and in developing new circulation associations combining agriculture and commerce, commerce and industry, or agriculture and industry.

It is also necessary to pay close attention to constructing, opening, and supervising commercial facilities. State commercial enterprises should conduct operations in accordance with the objective demands of a commodity economy, and should take part in market competition and regulation on a par with collective and individually-run commercial enterprises. Large state retail enterprises should implement various forms of the management responsibility system, while small and medium-sized state retail enterprises should actively introduce the lease system. Supply and marketing cooperatives should introduce diversified management and develop various associations or economic communities, together with the peasants, in supplying means of production and subsistence, providing technical, information, and financial services, and purchasing and processing products. They can also set up various joint ventures with peasants (including individuals, combination of farm households, or collectives). The direction of strengthening supply and marketing cooperatives' "three characters [san xing 0005 1840]" is correct. However, instead of just paying lip service to it and acting perfunctorily, it is necessary to do solid work and adopt flexible management methods to continually increase the cooperatives' economic substance in order to enable them to really become peasants' economic organizations. The prospects for reforming supply and marketing cooperatives are good. Positive experience already obtained by some localities should be actively popularized by others according to their actual conditions. It is also necessary to pay attention to peasants' trade fairs and encourage peasants to set up wholesale or retail markets for farm and sideline products in towns in order to improve the interflow of farm and sideline goods between town and country.

C. Continue To Accelerate the Economic Development of Impoverished Areas To Invigorate Their Economic Vitality

Despite penetrating changes in the Chinese countryside in recent years, some rural areas remain backward economically, and little improvement has been made in their people's livelihood. In some areas, the problem of providing enough food and clothing for peasants has not been solved yet. It is of great political and economic significance to eliminate, as quickly as possible, the backwardness in poor areas and provide enough food and clothing for the peasants. Great determination, clear objectives, and a set of effective measures are definitely required in carrying out this undertaking. We should initiate reform and exploit the resources of poor areas in order to ignite their inherent economic dynamics and build up their ability to rely on themselves for economic development. It is necessary to adopt measures suited to local conditions and combine the local labor force with natural resources in developing crop cultivation, aquiculture, mining, and transportation, processing farm and sideline products, and organizing labor service for other localities. Efforts should be made to discard the idea of a small-scale peasant economy, a closed economy which has caused the backwardness, foster the concept of commodity economy, and actively develop commodity economy. It is necessary to open the areas to other localities by developing diverse lateral ties with developed areas and major cities and absorbing skilled personnel, technology, and funds needed for accelerating the economic development of poor areas. Overall arrangements should be made to concentrate financial resources, including subsidized funds from various quarters, on selected key projects to ensure good economic efficiency. Poor areas are latent with abundant natural resources and great enthusiasm among the people. As long as we strengthen leadership and adopt effective measures, we shall be able to change the outlook of the areas at an early date.

D. Reform and Other Jobs in Rural Areas Must Aim At Ensuring a Steady Increase of Peasants' Income

The fundamental goals of reform and other jobs in rural areas are to liberate productive forces, develop a commodity economy, increase peasants' income, and achieve common prosperity.

This should be our guiding ideology in carrying out all reform measures in rural areas. The development of a commodity economy is the best way for the peasants to increase their income, and it provides an opportunity for them to become prosperous. It is important to continue the practice of allowing some peasants to become prosperous before others, and to support the development of households that specialize in the production of certain commodities. When this occurs, many other peasants will learn by example and will find their own road to prosperity. Enterprises and departments should not be allowed to retain or take back the economic benefits obtained by peasants over the last few years through reform. If conditions permit, other reform measures should be taken in the future to bring further economic benefits to the peasants. Prices of agricultural production means should, in general, remain unchanged next year. At the same time, in purchasing farm products, it is necessary to observe the principles of setting prices according to quality and strictly prohibiting the practice of forcing prices down by levying fake charges or by retaining funds arbitrarily, in pursuance of egalitarianism and indiscriminate requisition, to firmly protect the legitimate income of peasants. In a nutshell, we must keep up the trend of steady increases in peasants' income. With more income, the peasants will invest more in agricultural production, and their greater purchasing power will increase the turnover of the rural market, thereby enlivening the country's market as a whole and invigorating agriculture, industry, and commerce at the same time. Therefore, to keep the trend of steady increases in peasants' income is, in a sense, to maintain a sustained and stable development of the national economy.

E. Conscientiously Carry Out Rural Party Rectification, and Intensify Rural Grass-roots Work

Party rectification at the village level will be successively unfolded this winter and next spring. It will provide an excellent opportunity to improve grass-roots party organizations and political power organs and to raise the quality of grass-roots cadres in rural areas. We must improve leading bodies and promote economic reform through party rectification. Grass-roots cadres and large numbers of party members should play an exemplary role in publicizing and implementing the party's principles and policies and in uniting and guiding the masses of peasants to develop a commodity economy. It is necessary to earnestly implement the "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" by helping peasants to get rid of the idea of a small-scale peasant economy, by opposing feudal superstitions and other ignorant and outdated practices, and by fostering and developing socialist ethics to build a prosperous and civilized new countryside. All localities are urged to earnestly implement the measures and demands mapped out by the Central Commission for Guiding Party Rectification and by other relevant departments for party rectification and grass-roots construction in rural areas.

3. Strive To Increase the Momentum for Developing Agriculture [subhead]

Agriculture is the foundation of the national economy. It is our basic national policy to modernize agriculture and to ensure its stable development. From now until the end of this century, we must achieve a larger agricultural growth. Last year, we produced a total of 760 billion jin grain. To meet the target set for the Seventh 5-Year Plan, we must increase our annual grain output by an average of 20 to 30 billion jin, and by at least over 10 billion jin to reach the target set for the end of this century. How are we going to fulfill our goal? The key lies in deepening the reform and in improving material and technological conditions for agriculture.

We must adopt correct policies and measures to continuously increase the momentum for developing agriculture. This is a strategic issue that merits our prompt consideration without delay.

Thanks to the series of rural economic policies adopted by the party, which fired the enthusiasm of peasants in production, agricultural production developed rapidly during the Sixth 5-Year Plan. To maintain sustained and stable agricultural development, it is imperative to further harness the enthusiasm of peasants. We should tap the great potentials in this aspect by deepening the reform. However, as human enthusiasm can stimulate productive forces only under certain indispensable material conditions, it is necessary to increase, with available financial and material resources, investment in agriculture and farmland capital construction, including irrigation works, forestry, animal husbandry, and fishing. Agricultural benefits can best manifest themselves in social benefits. Therefore, we should proceed from overall interests by sparing no expense and by mobilizing all trades and professions to vigorously support agriculture.

We must rely on the initiative of the state, localities, collectives, and the peasants to increase their agricultural investment. While the central government will increase its agricultural investment, the proportion of local authorities' agricultural investment should also be larger. As local revenue grows each year, local authorities should set aside a proper percentage of this growth for agricultural development. However, because of China's weak foundation, its limited financial and material resources, and the great deal of projects that need to be accomplished, it can only increase its agricultural investment according to its ability, and cannot afford to invest a lot of money in agriculture in a short time. Such being the case, we still have to count on the peasants to increase agricultural investment. We should draw up necessary policies to encourage collective and individual agricultural households to invest more in agriculture, and to ensure the investors' returns. Agricultural investment must be spent properly. It should not be misappropriated or spent aimlessly. It must be spent where it is needed most and where it can produce the best economic results. The state's capital construction investment should primarily be spent on harnessing large rivers, developing major projects, and on building commodity production bases and an educational, scientific, and technological infrastructure. Budgets for supporting agricultural production and other agricultural projects should primarily be spent on improving production conditions and on disseminating new technology to increase productivity and expand the capacity to cope with disasters. Investment projects should be properly managed. A system should be set up to administer projects built with these investment funds, and a fee should be charged for the use of finished projects so that investment funds can be recirculated and produce higher results. To encourage investment in the form of labor, all types of flexible measures should be employed to organize the peasants to take part in capital agricultural construction. This issue must be dealt with as soon as possible. The longer it is delayed, the harder it will become. To forestall abuses, intensify maintenance, and give full scope to their effectiveness, we should set up a system of responsibility to protect our agricultural facilities. To ensure continual agricultural growth, we must properly preserve our agricultural resources. As land is the most precious resource of agricultural development, we must firmly implement the Land Management Law, intensify urban and suburban land administration, and strictly prohibit misappropriation and misuse of land.

We should make great efforts to promote agricultural science and technology. China's agricultural backwardness can primarily be attributed to scientific and technological backwardness.

Thus, to bring about greater agricultural development, we should gradually turn to science and technology. Currently we should pay special attention to popularizing applied science and technology. Much work can be done to tap the great potential of this area. We should select a number of agricultural technologies, which can produce great results with limited investment, and muster the efforts of various quarters to disseminate them. We should pay great attention to the cultivation and dissemination of good seed strains, which have remarkable effects in increasing agricultural output and improving the quality of agricultural products. We should intensify the training of grass-root disseminators of agricultural technology to bring advanced technical know-how to all rural households. Meanwhile, the study of advanced technology, such as biological engineering, must be started as soon as possible. The "spark program," initiated by the State Scientific and Technological Commission, is very popular among the peasants, but it has encountered some problems during its implementation. It is hoped that, with the support of various quarters, the sparks of scientific and technical know-how can be extensively disseminated throughout the vast countryside.

The main purpose of increasing material investment in agriculture is to develop an industry that serves agriculture with more quality goods needed for agricultural production. Presently, the peasants' needs for industrial goods for agricultural production are rising each day, and departments concerned should make proper arrangements for the production and supply of such goods. They should pay attention to production and to the supply of chemical fertilizer -- especially that of good quality -- and promote the use of organic fertilizer. In accordance with the needs of peasants in different localities, farm machine manufacturers should heed the needs of various trades in rural areas, and serve agricultural mechanization in rural areas by producing what is needed. Owing to the large numbers of enterprises operated by townships and towns and to the outflow of the labor force from rural areas, the economically developed regions have a more urgent need for agricultural mechanization, and they may undertake this project immediately.

To ensure long-term, stable agricultural development, we must now earnestly study -- and gradually implement -- the fundamental measures compatible with China's agricultural development. The relevant departments of the party Central Committee and the State Council have already put forward certain preliminary proposals and are assessing them from different angles with a scientific approach. All localities should also seriously study these issues and plan properly, and adopt effective measures for ensuring stable agricultural development. Research on rural development is very important. It is hoped that all localities will give full scope to the role played by rural development, research departments, and researchers, and intensify their research, so our decisions concerning rural reform and economic development can be more scientifically supported and our rural economic development can be enhanced.

Comrades! Next year China will take a new step toward restructuring its economic system, and major progress will be made in socialist material and spiritual construction. As such, our rural work will be very hard. It is hoped that party committees and governments at all levels will continue to intensify their leadership over rural work, will guide the hundreds of millions of peasants to march forward during the course of reform, and will greet the convocation of the 13th party congress with even greater successes!

UNITED FRONT WORK CONFERENCE OPENS 27 NOV

OW271346 Beijing XINHUA in English 1337 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- To promote the concept of "one country, two systems" and strive for the peaceful reunification of the country is the main task of patriotic united front work in China.

This task was outlined by Yan Mingfu, head of the United Front Work Department of the Chinese Communist Party Central Committee, here today.

Speaking at the opening ceremony of a national conference on united front work, Yan said: "Developments in the country and the putting forward of the concept of 'one country, two systems' have entrusted the work with new tasks and its scope has been enlarged."

"The patriotic nature of the work has become more noticeable," he said, "and anyone who supports the reunification of the country will be united, no matter what class, party or group he belongs to, and what political belief or ideology he has."

Yan explained patriotic united front work under the new circumstances in China as falling into two categories. One is the alliance of all laborers and patriots on the mainland with socialism as the political basis, and the other is the alliance of Taiwan, Hong Kong and Macao compatriots and Overseas Chinese with support for the reunification of the country as the political basis.

"Patriotic united front work should abide by the 'one country, two systems' concept as one of its priorities, and strive for a third cooperation period between the Communist Party and the Kuomintang," he said.

Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, and 320 provincial, autonomous regional and municipal officials in charge of united front work and leaders of non-communist parties, people's organizations and non-party individuals attended today's opening ceremony.

Front Work Hailed

OW271846 Beijing XINHUA in English 1456 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Officials involved in patriotic united front work are urged to adopt new ideas, methods and work styles to achieve breakthroughs in their work.

Speaking at a national conference which opened here today, Yan Mingfu, head of the United Front Work Department of the Chinese Communist Party Central Committee, said: "The country's patriotic united front work has entered one of the best periods since the founding of the People's Republic in 1949."

He said, "Many party and government officials carrying out the work have not completely changed their ideas, work styles and working methods formed under the influence of the 'left' ideology."

"On the other hand, they have not adapted to the new situation which has emerged after the country adopted the policy of opening to the outside world and the concept of 'one country, two systems'," he added.

"This has seriously hampered the development of the patriotic united front work," he said.

Yan urged all united front work departments throughout the country to unite all the people that can be united, including communists and non-communists, Marxists and non-Marxists, religious believers and atheists, compatriots living on the mainland and compatriots abroad.

He also asked departments to actively carry out overseas public relations work. "They should be bold to seek common ground, while reserving the differences in social system, ideology and life style," he said.

DETAILED REGULATIONS FOR ID CARD ISSUED

OW271439 Beijing XINHUA in English 1216 GMT 17 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Detailed regulations for the implementation of China's identification card system will go into effect tomorrow, according to the Ministry of Public Security.

Consisting of 46 articles in nine chapters, the detailed regulations provide provisions in explicit detail covering all aspects of application, issuance and management of the ID cards.

Chief of the Department of Public Order under the Public Security Ministry told XINHUA, "the detailed regulations were formulated on experiences in some big cities which issued ID cards on a trial basis during the past two years."

"ID cards have been issued to more than 40 million citizens since September of 1985 when the decision to introduce the ID card system was made at the 12th meeting of the Sixth National People's Congress Standing Committee," the official said.

The official described the cards as an important step in reforming the country's existing household registration system. "The ID cards can be used nationwide as a legal document of identification," the official said.

ANHUI'S LI GUIXIAN INSPECTS FRUIT PRODUCTION

OW261043 Hefei Anhui Provincial Service in Mandarin 1100 GMT 24 Nov 86

[Excerpts] According to our reporter Dong Guxiang, provincial party committee Secretary Li Guixian inspected fruit production in Dangshan and Xiaoxian Counties on 21 and 22 November in the company of responsible comrades concerned from the party committee and administrative office of Suxian Prefecture.

On 21 November Li Guixian came to the Dangshan Horticultural Farm, located on the old course of the Huang He, and (Jiatun) Village of (Chenji) Township, where he inspected state-owned, collective, and private orchards as well as their cold storage facilities and cellars for storing fruits. He said: Dangshan has favorable conditions for developing fruit production, and you should take advantage of these conditions. Anhui Province now produces 260 million jin of fruits annually. Your county alone produces 160 million jin, accounting for over one-half of the province's total. [passage omitted]

Li Guixian also inspected an old folks' home run by peasant Guo Chaofan at (Huaihai) District and a fur marketplace at (Qinglong) Town, both of Xiaoxian County. He praised highly the role played by these facilities.

FUJIAN RADIO STRESSES RURAL COMMODITY ECONOMY

OW260523 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 21 Nov 86

[Station commentator's article: "Set Forth New Ideas To Promote the Development of Commodity Economy"]

[Text] During the village-level party rectification being carried out extensively in Fujian's rural areas, we should not just solve the problem of a few cadres with party membership who seriously abuse their power to seek private interest and violate law and discipline. It is even more important for us to carry out the central task of developing a commodity economy and leading the masses to prosperity, and educate our party members to set forth new ideas, know the importance of commodities, play an exemplary vanguard role, and promote the progress of reform and economic development in the rural areas. This is not only in line with the demands set for rural party rectification by the Central Commission for Guiding Party Rectification, but also conforms with the aspirations for the vast number of party members and people in the countryside.

Getting forth new ideas is an urgent matter. In Fujian's rural areas now, the peasants, working on their own, are rapidly shifting their undertakings to commodity production. Under the new circumstances, if we fail to make rural party members and people change their thinking and ideas with the change of the economic base, we will inevitably impede the development of both a large-scale commodity economy and agricultural production in rural areas.

The experience of Chongan County in its village-level party rectification has given us useful enlightenment -- it is necessary to carry out education in the current situation and policies throughout the course of the party rectification, and strive to help rural party members abandon old ideas, set forth new ideas, know the importance of a commodity economy and play an exemplary vanguard role in the course of developing a commodity economy.

LIANG BUTING AT SHANGDONG GOLD SMELTERY OPENING

SK280400 Jinan Shandong Provincial Service in Mandarin 2300 GMT 27 Nov 86

[Text] China's first specialized gold smeltery was recently constructed and commissioned in Zhaoyuan County. On 26 November, Liang Buting, secretary of the provincial party committee, and Huang Yuheng, manager of the China Gold Company, as well as other leading comrades attended the ribbon-cutting ceremony for the opening of the smeltery.

Zhaoyuan County, known as a land of abundant gold, is China's important gold producing base whose gold output ranks first in the country. However, due to a lack of gold smelteries in the county, gold mining, dressing, and smelting have been disorganized. The dressed gold powder had to be transported to the remote northeast China for smelting, thus resulting in a waste of manpower and material resources. In order to change this situation, with the support of the Ministry of Metallurgical Industry and the China Gold Company, Zhaoyuan County invested some 22 million yuan last year in building this gold smeltery. The installation of facilities was completed by September of this year. After being put into production, this gold smeltery is capable of handling 75 tons of dressed gold powder daily. In addition, it can also produce a considerable amount of silver, bronze, lead, aluminium, sulphuric acid, and other by-products. The annual output value will reach some 57 million yuan and the profits will be some 5 million yuan.

SHANGHAI RESIDENTS QUEUE TO BUY BANK BONDS

OW261202 Beijing XINHUA in English 0903 GMT 26 Nov 86

[Text] Beijing, November 26 (XINHUA) -- Crowds estimated at about 1,000 lined at midnight and in the morning to buy bonds from the Shanghai branch of China's Construction Bank, today's "PEOPLE'S DAILY" reported.

Since November 20, 30,000 bonds worth nine million yuan were bought up by servicemen, retired workers, teachers, housewives, and the handicapped, of whom some came specially to Shanghai from other parts of China to buy the bonds.

They were attracted by a "PEOPLE'S DAILY" report about the bank's decision to sell bonds beginning as of November 20.

According to a bank official, the interest on the bonds will be 12 percent which is much higher than ordinary deposits the bank offers.

The bank offers the forward purchasing appointments for the bonds to raise money for a plant annually producing 300,000 tons of ethylene, a key project of the state.

Four days after they went on sale all the promise to purchase slips had been taken.

Most of the buyers plan to sink large amounts of their savings into the purchase. A professor, together with his wife, is going to buy bonds worth 40,000 yuan, the paper said.

"It is beneficial both to the state and individuals to issue the bonds," a buyer was quoted as saying.

BEIJING PEOPLE'S CONGRESS MEETING 13, 14 NOV

SK260541 Beijing BEIJING RIBAO in Chinese 15 Nov 86 p 1

[Text] The 32d Standing Committee meeting of the 8th municipal People's Congress was held on 13 and 13 November.

Chairman Zhao Pengfei presided over the meeting. Members at the meeting heard and discussed a report by Wei Xiangru, director of the municipal Reform-Through-Labor Work Administrative Bureau, delivered on behalf of the municipal government on Beijing's work of reform and reeducation through labor. The report states: Over the past few years, reformatories in the municipality have exercised strict administration, created a good order for reform, urged criminals and those subject to reform through labor to confess their crimes and abide by the law, and conducted political and ideological, labor, cultural, vocational, and technical education among them, thus achieving notable results. In their efforts to intensify cultural, vocational, and technical education, reformatories opened 195 literacy classes and classes at primary, junior, and senior middle school levels for 6,900 people. In addition, they sponsored various technical training programs joined by 2,599 people in line with the needs in production. From 1983 to 1985, reformatories resumed and developed their production one after another. During the 3 years, they created 250 million yuan in industrial and agricultural output value, and produced 130,000 tons of grain and soybeans, and a great amount of fruit, fish, shrimp, milk, and eggs, providing material conditions for reform.

During the discussions, members at the meeting expressed satisfaction with the work of reform and reeducation through labor. They called for efforts to do a good job not only in reform and reeducation through labor but also in preventing crimes. They urged all quarters of society to attach importance to the ideological education of youths, show concern for their growth, and in particular, intensify the education of the legal system among them.

The members also heard and discussed a report delivered by Wang Jun, director of the municipal Planning Commission, on behalf of the municipal government on the "Fulfillment of the Beijing Municipal 1986 Plan for National Economic and Social Development." During discussions, the members affirmed the municipal government's efforts to fulfill this plan. They also pointed out that the tasks for the next month or so remain very arduous, and therefore efforts should be stepped up to fulfill them.

The meeting approved personnel appointments and removals. Wang Tong [3076 4827] was appointed director of the Beijing Municipal State Security Bureau, and Min Buying [7036 2975 3467] was removed from the post of director of the Beijing Municipal State Security Bureau. Bo Xicheng [5631 3556 2052] was appointed director of the Beijing Municipal Tourism Bureau, and Song Wencheng [1345 2429 2052] was removed from the post of director of the Beijing Municipal Tourism Bureau.

Attending the meeting were Fan Jin, Ma Yaoji, Hou Jingru, Pu Jiexiu, She Diqing, Chen Mingshao, Zhang Dazhong, Li Guang, Xing Jun, and Xia Qinlin, vice chairman of the municipal People's Congress Standing Committee. Vice Mayors Zhang Baifa and Chen Haosu; Liu Yunfeng, president of the municipal Higher People's Court; He Fangba, chief procurator of the municipal People's Procuratorate; and responsible comrades of relevant departments of the municipal government, various district and county People's Congress Standing Committee attended as nonvoting delegates.

GU MU AT BEIJING ECONOMIC COOPERATION MEETING

OW280155 Beijing XINHUA Domestic Service in Chinese 1150 GMT 26 Nov 86

[By reporters Yan Zhenguo and Rong Ancai]

[Excerpt] Beijing, 26 Nov (XINHUA) -- Beijing Municipality will firmly implement the basic national policy of opening to the outside world, open the door of the municipality wide to the world, strive to create a climate suitable for foreign investment, and welcome people from abroad to cooperate with us.

Han Boping, vice mayor of Beijing Municipality, made these remarks at the first meeting on Beijing Municipality's economic and technological cooperation with foreign countries, which opened today. Attending the meeting were more than 400 commercial attaches, corporation representatives, entrepreneurs, and bankers from 20 countries and regions as well as responsible persons of our departments concerned, including Gu Mu, Rong Yiren, Wang Guangying, and Chen Xitong. The meeting put forward more than 200 subjects on industry, urban construction, agriculture, social service, science and technology, and foreign trade for discussion.

Since the implementation of the policy of opening to the outside world, Beijing Municipality has increasingly strengthened its relations with the international market and has economically cooperated with foreign countries in many ways. Now Beijing Municipality has established economic and trade contracts with more than 130 countries and regions. By June this year it had signed more than 130 contracts on importing technology from abroad, with a total value of U.S.\$160 million. The amount of foreign investment attracted by Beijing Municipality is the largest of the amounts of foreign investment attracted by various major Chinese cities. Financiers and industrialists from 25 countries and regions have set up 117 enterprises with foreign investment or with Chinese-foreign investment, and their total investment is \$2.05 billion. Beijing Municipality held this meeting to further promote its economic and technological cooperation with foreign countries, Hong Kong and Macao. [passage omitted]

BEIJING REGION PLA LEADERS GIVE PARTY LECTURES

OW260533 Beijing XINHUA Domestic Service in Chinese 0848 GMT 21 Nov 86

[By reporter Zhao Su]

[Text] Beijing, 21 Nov (XINHUA) -- PLA units at and below the regimental level in the Beijing Military Region have systematically educated grass-roots party members in basic party knowledge in the course of party rectification, thereby effectively enhancing the political awareness among the ranks of party members.

In accordance with the military region party committee's unified arrangements and demands, and referring to the outline of party lectures edited by the military region, all the units have given 10 lectures among grass-roots party members since last January. The 10 lectures are about fostering a lofty communist ideal, persisting in serving the people wholeheartedly, correctly assessing the excellent situation of reform and opening to the outside world, totally negating the "Cultural Revolution," playing an exemplary role in rectifying party style, upholding the party's democratic centralism, conscientiously observing an safeguarding party discipline, actively conducting criticism and self-criticism, intensifying ideological and political work, and building spiritual civilization.

The 10 special lectures have been completed by all units now. It is the consensus of the large number of party members that such a systematic study of basic party knowledge gives them the feeling of attending a party school.

In order to provide a better quality of party lectures, party member-leading cadres at all levels took the lead in giving lectures and assisting party members in their study. During party rectification, over 1,500 party member-leading cadres of the military region gave lectures to grass-roots party members. Military region Commander Qin Jiwei and Political Commissar Yang Baibing went down to the grass-roots level to conduct the lectures personally. Through attending the party lectures, grass-roots party members have deepened their understanding of the party's basic theories and policies and enhanced their party spirit and immunity from errors. A few party members of an Army group, under the influence of a "mercenary" mentality, originally requested that they be discharged and transferred to local civilian jobs. After undergoing education in the party's ideals and goals, they have enhanced their sense of responsibility and honor as party members and soldiers, and thus, voluntarily withdrawn the request to leave the Army. Following the example of party members, the 2,500 graduates of the Shijiazhuang Army School this year vied with each other to serve in the frontline or border areas to safeguard the country. The analysis of a survey conducted by a relevant department among nearly 1,000 party members of 47 grass-roots party branches indicates that the proportion of model party members has increased by 40 percent after attending the lectures on basic party knowledge.

MORE FOREIGN STUDENTS STUDY IN BEIJING

OW280215 Beijing XINHUA in English 0150 GMT 28 Nov 86

[Text] Beijing, November 28 (XINHUA) -- About one half of the 10,000 foreign students in China are studying in Beijing, an official of the Beijing Municipal Bureau of Higher Education said here today.

Of the students here, 2,000 are taking five-to-six year courses in 16 universities or colleges, and 3,000 are studying the Chinese language from several months up to one year in 20 universities or colleges.

The official said 70 percent of the foreign students here are from African, Arab and Asian countries, and they are mainly majoring in science and engineering.

More than half of the 102 foreign students at Qinghua, one of China's oldest universities, are from 20 African countries and almost all of the 67 foreign students at the Beijing Medical College are from Africa.

Also, the number of students from Austria, Britain, Canada, Denmark, Federal Germany, France, Japan, Sweden, Switzerland, the Soviet Union and the United States is increasing, according to the official.

Half of the 456 foreign students at Beijing University are taking refresher courses in Chinese literature, history, philosophy, economics, international politics and law, the official said. Their aim is to be experts on China and join the diplomatic service after returning home.

Students from the Soviet Union and the United States at Qinghua University are doing research into welding and artificial intelligence.

An official in charge of foreign students said foreign students here are attending courses, having dance parties and playing sports together with Chinese students. They are often invited to the homes of Chinese students and lecturers on holidays.

Foreign students may marry Chinese, said the official. But they must follow the Chinese rule that men and women can not live together without being married, and dallying with women's affections is forbidden. Anyone who violates the law will be punished.

Before 1979, there was not much fraternization between foreign students and their Chinese counterparts.

Now every university and college arranges visits for foreign students to scenic spots and tourist attractions during holidays. Foreign students can visit any place they wish so long as they do not miss their courses, the official noted.

SHANXI LEADER AT SCIENCE, TECHNOLOGY CONGRESS

HK280107 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 27 Nov 86

[Excerpts] The third congress of the provincial Science and Technology Association opened in Taiyuan on 27 November, attended by over 800 delegates. (Zhang Yongwen), chairman of the association, declared the congress open. Comrade Li Ligong extended greetings on behalf of the provincial party committee and government. [passage omitted]

Li Ligong put forward the following demands on the comrades on the science and technology front and the science and technology association organizations at all levels: 1) Seriously implement the principle of having science and technology work to serve economic construction. 2) Seriously study and implement the central resolution on the guiding principles for building spiritual civilization, and struggle against ignorance, superstitions, and backwardness. 3) Create an excellent atmosphere of unity and democracy and strive to build the science and technology associations into true homes for science and technology workers.

Li Ligong also demanded that the party committees and government at all levels further embrace the ideological concept of respecting science, knowledge, and talent, seriously implement the party policies on science and technology, and stimulate continuous development of the productive forces in science and technology. [passage omitted]

Also present at the ceremony were leading comrades of the provincial party committee, Advisory Commission, People's Congress Standing Committee, government, CPPCC, and Military District including Wang Senhao, Lu Gongxun, Wu Dacai, Wang Maolin, Ruan Bosheng, and Feng Zhimao. [passage omitted]

ECONOMIC REFORM HELPS HEILONGJIANG DAIRY INDUSTRY

OW280257 Beijing XINHUA in English 0142 GMT 28 Nov 86

[Text] Harbin, November 27 (XINHUA) -- Economic reform, implemented since 1979, has significantly increased annual dairy products manufactured in China's northernmost province of Heilongjiang, a local light industry official said today.

The country's leading dairy products producer expects a record output of more than 52,000 tons this year, five times that of 1979.

The proportion of Heilongjiang's products in the national total will jump from 25 percent in 1979 to 28 percent this year.

In the first 10 months of this year, the province produced 44,330 tons of dairy products, up 15 percent over the same period in 1985.

Over past years, provincial authorities encouraged collectives and individuals to join the state in raising cows, and as a result, numbers of dairy cows shot up from 64,000 in 1979 to 300,000 in 1985.

The reform has encouraged agricultural and animal husbandry sectors, counties, town and state farms to build milk processing plants in cooperation with light industry enterprises, and such plants have increased from 34 to 113, with daily fresh milk processing capacity going up from 300,000 to two million liters annually.

Yogurt and milk beverages were developed to raise the variety of dairy products from 16 to 40. Special high-quality milk powder makes up 96 percent of the dairy products manufactured.

Some of Heilongjiang's dairy products are exported to Romania and Singapore.

SUN WEIBEN MEETS WITH HEILONGJIANG ARTISTS

SK270410 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 26 Nov 86

[Text] (Liu Yamin) and (Li Weichang), two noted artists of the province, will leave for Hong Kong on 27 November to attend the opening ceremony of a Chinese painting exhibition of seven artists, including (Liu Yamin), (Guo Guangye) and (Li Weichang), to be held in Hong Kong. They will also carry out artistic exchange activities there.

Provincial leaders, including Sun Weiben, Hou Jie, Chen Lei, and Chen Yunlin, viewed the exhibits before they were sent to the exhibition in Hong Kong. They also held cordial talks with the artists and encouraged them to win honor for the province and to create more and better artistic works.

HEILONGJIANG'S SUN WEIBEN NAMED HONORARY DIRECTOR

SK230506 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Nov 86

[Text] The Heilongjiang Provincial Senior Citizens' Calligraphic and Painting Research Society was established in Harbin on 22 November.

At the inaugural meeting of the society Sun Weiben, Chen Lei, Li Jianbai, and Shao Zhao were invited to serve as honorary directors of the society; and Zhang Lin was elected director of the society. Zhou Wenhua, deputy secretary of the provincial party committee, attended the inaugural meeting. On behalf of the provincial party committee, he called on the society to make contributions to building the province's spiritual civilization.

JILIN SECRETARY SPEAKS ON RENEWING CONCEPTS

SK260655 Changchun Jilin Provincial Service in Mandarin 2200 GMT 25 Nov 86

[Excerpts] In order to deeply study the resolution of the CPC Central Committee on the guiding principles for building socialist spiritual civilization, to strengthen the building of the two civilizations, to emancipate thinking, to renew concepts, to promote the development of the commodity economy, and to make Jilin prosperous, our province held a meeting to discuss ways to renew concepts at the (Dongya) Guesthouse in Changchun from 20 to 25 November.

The discussion meeting was held at the proposal of Comrade Gao Di, secretary of the provincial party committee, and was co-sponsored by the Propaganda Department of the provincial party committee and the provincial Spiritual Civilization Research Center.

Responsible comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, and the provincial government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission, attended the meeting. Also attending were responsible comrades of various commissions, offices, departments and bureaus. Responsible comrades of the relevant departments; and specialists and scholars from Beijing, Shanghai, Gansu, Liaoning, Heilongjiang, and our province, totalling more than 100 persons, were also invited to the meeting.

Comrade Wang Zhongyu, deputy secretary of the provincial party committee, presided over and addressed the opening of the meeting. During the past few days, many comrades gave incisive opinions and suggestions on the topic of renewing concepts. [passage omitted]

Comrade Gao Di, secretary of the provincial party committee, also gave a speech at the meeting on the morning of 25 November. He said: To renew our concepts, we must first clarify our understanding of the commodity economy. Our purpose in developing the commodity economy is to earn money. As long as one observes discipline and law and keeps his promise all the time, his business should be allowed. In developing the commodity economy, we must strengthen our awareness of it, and foster the concepts of the market, beneficial results, information, time, value, blazing new trails and making progress. While touching on his understanding of reform, Comrade Gao Di held that reform is aimed at developing the social productive forces. To judge whether a reform is correct, we must see whether it can promote the development of commodity production, invigorate the economy, and bring benefits to the state and the people. By no means should we interpret life by a rigid way of thinking or set standards for our actions according to a fixed pattern.

While touching on his understanding of competent personnel, Comrade Gao Di held that in carrying out the modernization drive, we must have personnel with modern knowledge. The party's leading cadres must be well qualified and capable of creating a new situation. Science and technology are our productive forces and competent personnel are our wealth. Therefore, we must pay attention to training and promoting scientific and technological cadres.

I. 28 Nov 86

S 3

PRC REGIONAL AFFAIRS
NORTHEAST REGION

While touching on his understanding of Marxism, Comrade Gao Di pointed out: Specific problems must be analyzed. This is the soul of Marxism. Seeking truth from facts is the core of Marxism. Practice is the sole criteria for testing the truth. We should apply the Marxist stand, viewpoints, and methods to solve practical problems. If we do a good job in solving problems this way we will bring about improvements. We must [words indistinct], adhere to and develop Marxism in the course of practice, and deepen our understanding of it.

Comrade Gao Dezhan also gave a speech at the end of the discussion meeting. He held that the meeting was successful. He said: The provincial party committee and government should also analyze the province's situation in all fields and make arrangements for the work in the course of studying the resolution. He also called for further renewing concepts and heightening our spirit in order to accelerate economic development and to make Jilin prosperous.

JILIN ARTICLE ON ROLE OF CADRES IN THEIR 50'S

SK250808 Changchun Jilin Provincial Service in Mandarin 2200 GMT 24 Nov 86

[Text] JIGUAN SHENGHUO BAO [PAPER OF ORGAN'S ACTIVITIES], which was published today, gives front page prominence to a special commentator's article again on the role of cadres in their 50's.

The article states: In the process ~~to~~ replace old cadres with the new, a group of cadres in their 50's have left their leading posts and have begun to serve as inspectors, or to engage in investigations and study. They have a common desire -- to do something beneficial to the party continuously. At the section and unit levels alone, some 9,300 cadres in their 50's have stepped down over the past few years. If given full play to their role, these cadres will serve as good assistants to the existing leading bodies, making up for the deficiencies of young and middle-aged cadres who are not familiar with the situation and who lack experience.

We must fully arouse the work enthusiasm of these cadres so that they will make new contributions to building a powerful and prosperous new Jilin. This requires us to update to play their role. Some people hold that only when a cadre commits mistakes and is no longer suitable to assume a leading post can he step down. Such an idea should be changed. We should gradually foster throughout society the idea that an able and virtuous person can relinquish his post in favor of others who are also able and virtuous on their own accord. There is also a very small number of persons who surround these cadres and are absolutely obedient to them when they are still in leading posts, but treat them superciliously once they step down from leading posts. Such an abominable practice is very harmful.

The article points out: We should establish the good practice in society in which veteran comrades, and their experiences and contributions made through decades of hard work, are respected. We should make it a system and habit that cadres can be promoted and demoted, and can serve as officials and ordinary people as desired. This will help develop the role of cadres in their 50's, and the role of retired cadres, and will help foster good social conduct.

LIAONING RIBAO ON AGRICULTURAL PROBLEMS

SK260507 Shenyang LIAONING RIBAO in Chinese 11 Nov 86 p 1

[Commentator's article: "A Latent Agricultural Danger Not To Be Ignored"]

[Excerpts] "A latent danger exists in our province's agriculture." This argument was put forward by some comrades recently. Some people agreed with this argument while some did not. They thought that this is only alarmist talk. Unifying the thinking on this problem and taking appropriate measures for solving it is a correct prerequisite for guiding the current rural work as well as a matter of urgent importance.

The situation in agricultural production is very good since the 3d Plenary Session of the 11th CPC Central Committee. The total grain output in 1985 reached 14.8 billion jin, setting a record in keeping balance between purchasing and marketing of grain. The peasants' livelihood has been improved in a step-by-step manner thanks to the development of commodity production in the rural areas. However, the situation and the statistics reflected and released by all fronts have indicated that problems that we must pay attention to really exist in our province's agricultural production, grain production in particular. Some peasants without high enthusiasm for engaging in agricultural production have made fewer investments in farmlands, have not engaged in extensive cultivation, and have adopted fewer scientific methods for growing crops. Thus, the conditions for agricultural production and the ecologic environment have deteriorated, and the disaster fighting capability has been reduced. Industries in service of agricultural production, such as farm tools and chemical fertilizer, are in a depressed state. The pace of agricultural modernization slows down. Major indicators are that agricultural production is not steady and the province lacks sufficient reserve strength to promote agricultural production. The total grain output in 1985 showed a drop of 31.5 percent from that of 1984. All this indicates that the argument in which a latent danger exists in our province's agricultural production is not alarmist talk, but correctly accords with our province's actual conditions. So, we must never ignore this. Agriculture is the foundation of the national economy. If we fail to promote agricultural production, the development of the rural economy and the national economy as a whole will be affected.

We must analyze the above-mentioned danger and unhealthy trends hidden in agricultural production. For instance, the peasants in some areas have lost their enthusiasm for growing grain because they consider that they will gain more benefits from engaging in secondary and tertiary industries. Of course, it is a dangerous situation. In a certain sense, this is also a step forward in our history. This indicates that we have made results in readjusting the production structure and that the peasants have jumped into the vast sea of developing commodity economy by avoiding the narrow scope of engaging in a unitary way of operation. Grain production is no longer the only or the major way to seek their daily necessities. This situation is what we are striving to seek. There are many problems similar to this. In short, the danger hidden in agricultural production is a problem caused in the process of turning natural economy to commodity economy and in the course of replacing the old system by the new one. So it is a problem caused in the course of advance. Therefore, we must neither be panic-stricken nor lower our guard. But we should deeply conduct reform to solve the problems caused in the course of reform and continue to make progress. Never are we allowed to take the road back.

There are many reasons for causing such latent danger and unhealthy trends in agricultural production. Some problems are caused by factors related to the state policies while some problems really are agricultural problems. We should adopt various methods to solve these problems. We must pay attention to the following few tendencies: Some comrades hold that the only way to stabilize and develop agricultural production is to ask the state to make more investment in agricultural production and to raise the prices of agricultural products. This situation must be changed. [passage omitted]

In order to eliminate the danger hidden in agricultural production and to stabilize and develop agricultural production, the party committees and governments at all levels should continue to deeply and firmly foster the idea that agriculture is the foundation of the national economy, and to change the blind situation in which "we think of agriculture when we are hungry but forget it when we eat our fill." We must master the way to take into consideration the overall situation of the rural economy and eliminate lopsidedness in our ideologies and working methods so as to guide all trades to develop coordinatedly and promote each other. We should strive to build an agriculture which develops steadily and in a step-by-step manner so as to lay a solid foundation to enliven the rural commodity economy and to develop the national economy.

LIAONING'S QUAN SHUREN AT PHILOSOPHY CONFERENCE

SK280340 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 27 Nov 86

[Text] During the Seventh 5-Year Plan, research on philosophy and social sciences of our province will be carried out with more emphasis on integrating theory with practice. While continuing to intensify basic research, efforts will be focused on solving the practical problems in reform and construction, and summing up new experiences in practice. This is the prominent part of the just defined research tasks for philosophy and social sciences of our province for the Seventh 5-Year Plan.

The provincial conference on planning for philosophy and social sciences for the Seventh 5-Year Plan, which concluded on 27 November, included the 131 research tasks which were decided on after discussions in the provincial Seventh 5-Year Plan for philosophy and social sciences. They involve 10 fields of study, including philosophy, economics, literature, and history. Laying stress on the theoretical research on political structure, the comprehensive research on scientific, technological, economic, and social development, the research on the strategies for regional or departmental economic development, and the research on the strategies for culture development, the plan for philosophy and social sciences gave prominence to the characteristic of linking the practice of reform closely with that of construction when selecting the research tasks.

During the conference, the participating experts and scholars also discussed the situation, tasks, principles, and policies for the province's social science research. More than 140 philosophical and social science workers attended the conference. Quan Shuren, secretary of the provincial party committee, delivered an important speech.

GANSU'S LI ZIQI AT SCIENCE, TECHNOLOGY CONGRESS

HK250956 Lanzhou Gansu Provincial Service in Mandarin 100 GMT 24 Nov 86

[Excerpts] The Third Congress of the Gansu Provincial Science and Technology Association ceremoniously opened in Lanzhou this morning. Leading comrades of the party, government, and Army, including Li Ziqu, Huang Luobin, Liu Bing, Wang Bingxiang, Hou Zongbin, (Song Jingchun), (Wu Xian), Zhang Wule, Zhu Xuanren, and Li Xilin, attended the opening ceremony. (Zhang Hantao), vice chairman of the provincial Science and Technology Association, delivered the opening speech. Li Baoheng, secretary of the Secretariat of the China Association for Science and Technology, attended and extended warm greetings to the congress. (Wang Liansheng), deputy secretary of the party group of the Xinjiang Science and Technology Association, delivered a congratulatory speech to the congress on behalf of the science and technology associations of five provinces and regions, comprising Shaanxi, Qinghai, Ningxia, Xinjiang, and Xizang. Li Xilin, deputy political commissar of the Gansu Military District; and (Zhao Fengxia), vice chairman of the provincial Women's Federation, also delivered congratulatory speeches on behalf of the Gansu Military District, the provincial Federation of Trade Unions, the provincial Committee, the provincial Women's Federation, and the provincial Federation of Returned Overseas Chinese respectively.

Provincial party committee Secretary Li Ziqi spoke at the opening ceremony. On behalf of the provincial party committee and provincial government, he first extended warm greetings to the congress and gave his cordial regards to all delegates attending the congress and all scientists and science workers throughout the province. After talking about the new current situation of our province, Li Ziqi hoped that the comrades on the science and technology front would unswervingly implement the principle of gearing scientific and technological work to the needs economic construction, strengthen the study and popularization of applied science and technology, give full play to the important role of science and technology in the course of building spiritual civilization, and further create an excellent environment of respecting knowledge and qualified personnel.

Li Ziqi said: Regarding the target of struggle for economic construction of our Gansu in the near future, we must adhere to the principle that it is necessary to rely on scientific and technological progress to get rid of poverty and to get rich and that scientific and technological work must serve the aim of getting rid of poverty and getting rich. Li Ziqi hoped that through the achievement in their work, science and technology commissions and science and technology associations at all levels and all science and technology personnel would apply the spirit and knowledge of science to remove worries and backwardness.

In his speech, he also demanded that science and technology personnel must go deep into rural areas to carry out the Spark Plan, large-scale technological exploitation, and the activities of helping the poor with scientific and technological service in order to make the flames of relying on scientific and technological progress to get rid of poverty and to get rich spread far and wide. At the opening ceremony, Zhu Xuanren, chairman of the provincial Science and Technology Association, gave a work report. Attending this congress are 499 delegates and 46 specially invited delegates. [passage omitted] During the congress, the delegates will examine and discuss the work report, revise the regulations of the Gansu Provincial Science and Technology Association, and elect a new committee of the provincial Science and Technology Association.

I. 28 Nov 86

C H I N A
TAIWAN

V 1

RIGHTS GROUP CHIEF ASKS FOR AID TO PRC DIPLOMAT

OW270459 Taipei CNA in English 0336 GMT 27 Nov 86

[Text] Bonn, Nov. 26 (CNA) -- Hang Lih-wu, chairman of the Chinese Association of Human Rights, has asked the Frankfurt Human Rights Association to help two officials of the Peiping Embassy in Bonn to gain political asylum in West Germany.

The two officials, Tu Ping-ju, first secretary of the embassy, and his wife Chu Mei-lan, the third secretary of the commercial section of the embassy, Monday asked for political asylum in Bonn.

Their applications, after being accepted Monday, are being processed by German authorities concerned. It would take several months to complete the whole procedure.

Thomas Weyrauch Wei Tang Shih [name as received] responsible official of the association, told CNA Wednesday that he would do his best to help Tu and his wife.

The West German Foreign Ministry admitted that the two have asked for political asylum but it would not give further information about them.

Whereabouts of Tu, 52, and his wife, 50, remained unknown since Monday afternoon. But newsmen here believed that they are still in Bonn area under police protection.

Tu and his wife have decided to seek political asylum because they said they could not live under the communist system in Mainland China, newspapers here reported.

KMT OFFICIAL CRITICIZES OPPOSITION CRITICS

OW260335 Taipei CNA in English 0237 GMT 26 Nov 86

[Text] Taipei, Nov. 25 (CNA) -- A few oppositionists who endeavor hard to attack everything the Government has done come from the real privileged classes in the nation, Tsao Chung-hsiung, vice director of the Organization Department affairs of the ruling Kuomintang's Central Committee.

Speaking at a monthly meeting of the Kuomintang representatives from industrial, business and mining sectors, Tsai urged the public not to be misled by these oppositionists' unreasonable arguments and behavior especially during the election campaign period, which runs from Nov. 21 through Dec. 5.

These people never mention the official name of the nation or carry national flags in their campaign activities. Since they do not respect the nation today, Tsai asked how they could respect the public once they were elected.

Tsai said the most peculiar thing is that these people laid the blame for whatever happened to them on the ruling party even if it was a car accident or feeling uncomfortable.

These people based their so-called reform movement upon hatred, Tsai said, adding "it is absolutely wrong." The success story of the Republic of China on Taiwan has been widely admired by the international community and its precious experiences have drawn a blueprint for the future China. "Presently, only peacefulness and unity is in the interest of everybody in the nation," Tsai stressed.

I. 28 Nov 86

C H I N A
HONG KONG & MACAO

W 1

HONG KONG

PRESS RELEASE ON HONG KONG ID CERTIFICATES

OW280844 Beijing XINHUA in English 0834 GMT 28 Nov 86

[Text] Beijing, November 28 (XINHUA) -- A press release on the exchange of memoranda between the Chinese and British governments relating to the use of Hong Kong certificates of identity was distributed by the Chinese Foreign Ministry here today.

It says the Chinese and British governments exchanged memoranda here yesterday to confirm the arrangements for the continued use of Hong Kong certificates of identity after 30 June 1997. This agreement was reached in London in July this year at the fourth meeting of the Joint Liaison Group.

Under the memoranda, China will allow certificates of identity to continue to be used after 30 June 1997 until their due expiry dates.

The central people's government shall authorise the Hong Kong Special Administrative Region government to issue, on or after 1 July 1997, in accordance with the law, passports of the Hong Kong Special Administrative Region of China to all Chinese nationals who hold permanent identity cards of the Hong Kong Special Administrative Region, and travel documents of the Hong Kong Special Administrative Region of China to all other persons lawfully residing in the Hong Kong Special Administrative Region.

POST EDITORIAL ON U.S. FOREIGN POLICY, 'MALAISE'

HK280356 Hong Kong SOUTH CHINA MORNING POST in English 28 Nov 86 p 14

[Editorial: "Grim Thanksgiving for American People"]

[Text] The American people have few reasons for rejoicing this Thanksgiving weekend. Their president has been exposed as a man who is not in charge of his administration yet contemptuous of the concerns of Congress. The malaise runs deep: Their country's foreign policy given over to bunglers from the secretive National Security Council; the cabinet divided; the Pentagon complaining; allies misled; the White House concerned now only with damage control.

The credibility of President Reagan's foreign policy has diminished over the years. From the invasion of Grenada to the Lebanese tragedy, from his visit to Nazi war graves to his vacillations over South Africa, from disinformation over Libya to the Ireland summit, foreign policy under his leadership has been increasingly erratic.

Mr Reagan now faces a crisis over a secret, possibly illegal operation run under executive privilege. The details now unravelling reveal a shabby venture that should never have taken place. He agreed to sell arms to Iran -- the nation which took an entire American Embassy hostage -- in the hope of fostering relations with a government of fundamentalist fanatics so as to free Americans held captive in Lebanon. Profits from this arms deal were then secretly directed via the CIA and a Swiss bank account to the rightwing rebel Contras in Nicaragua at a time when Congress had banned direct U.S. military aid to them. [paragraph continues]

This strange operation was run by a Lieutenant-Colonel Oliver North with the help of Israeli middlemen (who say they were only following orders) and a shadowy Saudi Arabian arms dealer. More faith was placed in this unlikely crew than in his senior foreign affairs official, Secretary of State Mr George Shultz.

The implications for American's relations with the rest of the world are wide. It compromises America's publicly stated position of not favouring either side and of doing all it can to bring about an early end to the Iran-Iraq conflict. Other Arab nations are incensed that Mr Reagan should be helping Iran, which is seen as a destabilising influence in the region; and are doubly annoyed that the U.S. used Israel as its middleman to the Iranians. For those nations looking to the U.S. for leadership in the fight against terrorism, the arms sale is evidence of duplicity. France, Italy and Greece are already suspected of weakening the West's resolve not to submit to terrorist blackmail. Who now can blame them when the loudest proponent of the Rambo stand has been caught at the same game?

The crisis reveals that yet again an American president has been able to conduct foreign policy without congressional scrutiny, with damaging results. Worse, the secrecy surrounding the covert operation with Iran allowed a field-grade officer like Colonel North to operate unchecked and make his own foreign policy. What has happened to the checks and balances designed to prevent this?

Foreign policy is no place for amateurs, but President Reagan appears to have encouraged them. Some ambassadorships were given to loyal or generous party supporters. The professionals in the State Department were dismissed as interfering nitpickers; trust was instead placed in such unlikely people as Admiral Poindexter and Colonel North. Even the Chiefs of Staff were left in the dark. Diplomacy was left to incompetents.

The Iranian arms disaster highlights clearly that foreign policy must be under the firm control of the President and his Secretary of State, and subject to congressional scrutiny. America's role as the leader of the free world is too important for its foreign affairs to be handled by rogue troubleshooters like Colonel North.

What of the next two years? We can expect to see the inquiries into this affair drag on for some considerable time and one should not be too surprised if some very odd things come crawling out of the White House woodwork. The new Democrat-controlled Congress is certain to give Mr Reagan a tough time over all of this.

With all this said, however, there is one reason Americans can offer thanks as they sit down to their traditional meal: The system which put Mr Reagan in to the White House in the first place is the same system which cherishes a free press, and it is that free press which has yet forced a president to face up to the risks he runs when he chooses to abuse the privileges conferred on him by the ballot box.

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